

STEPS TO WAR

An analysis of the mechanisms causing the Israel – Hezbollah conflict to escalate.

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ABSTRACT

The thesis examines escalation of international crisis involving both a state and a non-state actor. It takes as its starting point the following empirical anomaly. In the summer of 2006 Hezbollah kidnapped two Israeli soldiers. This set in motion a chain of events which ended in what is now called the Second Lebanon War. In October of 2000 Hezbollah however carried out an almost identical operation. The organization kidnapped three and in the process killed four Israeli soldiers, but this time in contrast no process of escalation followed. These two events will be studied as cases of international crisis. By integrating domestic politics into international relations, I will explain why the 2006 Olmert government made decisions so drastically different from the 2000 Barak government. Utilizing a controlled comparison design and game theory I will argue that the combination of a weak Israeli government that came under severe criticism from the Knesset, the shift in the regional balance of power and the information asymmetry that marked the interaction between Israel and Hezbollah together explain why the Hezbollah operation in 2006 escalation into a war, while the almost identical operation in 2000 did not.

I will structure this thesis around three spheres: the systemic, the internal Israeli and the direct relationship between Israel and Hezbollah. In all of these spheres I will study a particular strategic interaction which I argue is of decisive importance for understanding the trajectories of the different cases. In the systemic sphere I will focus on the interaction between Israel and Iran, and to a lesser extent Iran and Hezbollah. In the internal Israeli sphere I will focus on the interaction of the Israeli government with the public and with the legislature, and finally in the last chapter on the interaction between Israel and Hezbollah. Relying on a rationalist framework that makes it possible to draw on insights from different corners of international relations, as well as from comparative politics, I specify five mechanisms. When these mechanisms are operable at the same time I argue that the risk of escalation increases substantially. The five mechanisms are: (1) audience cost, the (2) inclination to share responsibility, (3) standing up to a bully, (4) learning and (5) competition.

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1 INTRODUCTION

1.1 INTRODUCTION

Wars continue to capture our imagination, they have been a part of our history, is a part of our present, and will – despite our best our hopes to the contrary, be a part of our future. In the last few months alone we have seen terrible wars in Gaza, on Sri-Lanka and in the DR Congo, to name just a few. Although we may never see a time without war, there is always the hope than an increased knowledge of the phenomenon of war can help reduce the danger of this most extreme of human activities. At the most profound - and possible pretentious - level that is the goal of this thesis: To further, if only marginally, our understanding of the causes of war. Reflecting on his experience as a soldier in the Spanish civil war George Orwell describes how a war, at least at its onset, can feel, both for its spectators and its participants, glamorous: “In the Ramblas they halted us while a borrowed band played some revolutionary tune or other. Once again the conquering-hero stuff - shouting and enthusiasm, red flags and red and black flags everywhere, friendly crowds thronging the pavement to have a look at us, women waving from the windows. How natural it all seemed then; how remote and improbable now!” (Orwell 2003: 13). As Orwell spends the rest of his book making clear marching-bands and waving crowds is of course not the reality of war. The reality of war is intensely brutal, but the depiction of war is often clouded with euphemisms. Kurt Vonnegut exposes one such euphemism and with this warns us that the brutality of war can not be masked behind military jargon: “The Germans and the dog was engaged in a military operation which had an amusingly self-explanatory name, a human enterprise which is seldom described in detail, (...) It is called ‘mopping up’”. (2005: 66).

This study flows from an empirical anomaly. On July 12th 2006 Hezbollah kidnapped two and in the process killed three Israeli soldiers. That operation set in motion a chain of events that eventually led to the Second Lebanon war, a war with more than a thousand battle-deaths. On October 7th 2000 Hezbollah carried out an almost identical operation. The organization kidnapped three and in the process killed four Israeli soldiers. This time around in contrast no comparable chain of events started, and no war ensued. The question then is why did these two almost identical Hezbollah actions have so dramatically different consequences? Or in other

words, why was the Hezbollah operation in 2006 followed by a process of escalation that led to a war, while the identical operation in 2000 was followed by no escalation at all. This thesis will focus on trying to answer that question. By looking at internal and external factors I will try to explain why the 2006 Olmert government made so drastically different decisions than the 2000 Barak government. This introductory chapter will start with a brief literature review, before I move on to a more detailed description of the area of study, and the rationale behind it. Following this I will very briefly sum up my main findings before I discuss issues relating to methods, choice of cases and validity and reliability.

1.2 LITERATURE REVIEW

In essence this thesis is about the causes of war. The literature on the causes of war is vast and growing. Jack Levy (1998) notes in a review of the field that the literature is increasing in complexity and rigor. I could not possibly manage a comprehensive literature review of the field, but I will briefly touch on a few important contributions in order to show where my work stands in the literature as a whole. These and other writings on the causes of war will also be discussed throughout the following chapters. Most of the work on the causes of war focuses on wars between sovereign states. This is especially true for work within the neo-realist tradition. Waltz sees the causes of war as being related to the balance of power and to the concepts of miscalculation and overreaction (Waltz 2008), and Mearsheimer traces wars, in essence, to great power competition (Mearsheimer 2001). In a comprehensive study of the causes of war another realist, Stephan van Evera argues that false optimism, first mover advantage, fluctuations in relative power, to what extent resources are cumulative and how easy conquest is, are important factors (Van Evera 1999). Both van Evera and Waltz belong to the rationalist tradition in war studies, and this tradition was heavily influenced by Geoffrey Blainey's seminal *The Causes of War* (1988). It is hard to sum up Blainey's core arguments since the book is not as systematical a study with hypotheses and predictions as e.g. van Evera's work, but two of his chief arguments are that wars arise not from imbalances in power between states, but rather from disagreements over the balance of power. Secondly, he argues at length that war and peace should not be seen as distinct phenomena, but rather that war and peace are two sides of the same coin.

Writing from an opposing camp Richard Ned Lebow's analysis of international crisis, and escalation of crisis, use social psychology to explain how misperception and miscalculation causes war (1981). Lebow argues that in contrast to the rationalist models used in the above mentioned works, leaders are characterized by bounded rationality. Lebow analyses three types of crises which all have different origins and trajectories, he labels them: brinkmanship¹, spinoff and justification of hostility. Justification of hostility crisis are unique in that they are initiated by leaders in order to provide a *casus belli*, spinoff crisis are outgrowths of other wars, while brinkmanship crisis are crisis occurring when an actor attempts to challenge an adversary's commitments. Moving back to the rationalist framework David Sobek argues that assumption of rationality are "more often correct than wrong" (Sobek 2009: 200). Sobek's book analyzes the causes of war at different levels of analysis, and he tries, as I will in the following, to integrate domestic politics into the study of causes of war. Sobek's book is also extremely interesting in that it considers, although briefly, conflicts between state and non-state actors.

The literature on conflicts between states and non-states is smaller, and it focuses almost exclusively on civil wars, failed states or terrorism. Both the literature on failed states and on civil war is, in a broader perspective, relevant here since Lebanon has experienced a civil war and been on the brink, at least, of being a failed state. The literature is not, however, immediately relevant for understanding escalation or non-escalation of the crisis between Israel and Hezbollah. The literature on international terrorism is also relevant but most of this literature is geared either towards determining how to deal with terrorism (Enders and Sandler 1993), or to explaining aspects of terrorism as e.g recruiting (Bueno de Mesquita 2005) or suicide terrorism (Pape 2003). In addition to the immediately interesting aspects of the cases in this study in and by themselves, this study will seek to fill a void in the literature by looking at how states and non-states interact in prolonged conflicts. This will enhance the literature on the causes of war in general since the dynamics and factors commonly found as important for explaining how crisis escalates into wars between states, are likely to be different from the dynamics and factors important in relationships between states and non-states. An understanding of if and how these factors are different is of substantial theoretical interest. The study will also enhance the literature on international terrorism by examining the aspect - conventional war between an insurgency

¹ I will use another model of brinkmanship crisis in chapter 6.

group and a state, and the reasons for such a war, which is not thoroughly studied in the literature. In addition this study will continue the effort of integrating domestic and international politics, which at some point will perhaps make it possible to formulate a cohesive theory of international politics drawing on both domestic and systemic factors.

1.3 WHAT AND WHY?

As noted above this study at its most general is a study of the causes of war, or more precisely of why crisis escalate into wars, and a study of the conflict between Israel and Hezbollah. Both of these could be seen as overarching themes. I will not however structure the thesis to be a study of the Israel – Hezbollah conflict, but will rather use that conflict as a case study of the causes of escalation. I will ask a series of more specific questions, phrased as three primary hypotheses in chapters five, six and seven, with the goal that these specific questions together will answer the question of *which factors explain why the conflict between Israel and Hezbollah experience sudden instances of escalation*. The three primary hypotheses will tap into three different spheres: the international / systemic, the internal Israeli, and the interaction between Israel and Hezbollah, but the primary hypotheses will all be stated in a general way. I.e. in chapter four the level of analysis will be the systemic level and the unit of analysis will be Israel's relationship with strategic adversaries in the region. In chapter five the level of analysis will be domestic, and the unit of analysis will be the Israeli government's interaction with the public and the legislature. Finally in chapter six the level of analysis will again be, somewhat, systemic and the unit of analysis will be the interaction of Israel and Hezbollah. Thus in all of the analytical chapters the unit of analysis will be various kinds of *strategic interaction*. The strategic choice approach (Lake and Powell 1999) adopted will be discussed in chapter five. As noted the different hypotheses will be stated in a general way, but the hypotheses, and the indicators I will deduce from them, will all be tested on my two primary cases, the 2000 and 2006 Israel – Hezbollah confrontations. Underlying my entire argument is the view that since these two cases at the onset were so startlingly similar, there has to be important differences in Israeli internal and / or external relations that explains why Israel took the steps it took in 2006, and why it did not take those steps in 2000.

There is no single theory that explains why crisis escalate, hence I have drawn on a number of different theories. All of these have in common, however, a rationalist framework which makes it possible, as Helen Milner argues (1998), to take theories from e.g. comparative and international politics and combine these. Since I am not testing a cohesive theory I have chosen to rely on mechanisms instead of overarching theories (Elster 2007a). I have chosen five mechanisms drawn from different corners of the international relations literature which I believe together explains what makes the conflict escalate. The mechanisms are (1) audience cost, the (2) inclination to share responsibility, (3) standing up to a bully, (4) learning and (5) competition. These five mechanisms will be explained and discussed in chapter two. I could of course have chosen a number of different mechanisms, but since the literature on my very specific field within international relations is, as I have shown, very limited I have decided to take what are common mechanisms from important contributions to the literature as a whole. The audience cost mechanism has been thoroughly debated, and stems in this form from the work of James Fearon (1994). The audience cost mechanism is closely related to the third “standing up to a bully” mechanism. This mechanism also stems from the work of James Fearon (1992) and it basically is a non-audience cost mechanism. The second mechanism which I have called sharing responsibility could just as easily have been called spreading cost. It explains, I argue, how the legislature can come to play an important part in foreign policy decisions. The fourth mechanism is learning, and it is designed to bring the history of the conflict into the analysis. Lastly the competition mechanism is taken from the neo-realist balance of power literature.

1.4 ANSWERS

My findings are especially interesting in light of Fearon (1994) and (1995) and Powell (2006), and they build and expand upon these works. Powell (2006) argues that there is a common mechanism linking the three types of commitment problems described by Fearon (1995) as explanations for war. He argues that large rapid shifts in power can be a mechanism in work in “preventive war, preemptive attacks arising from first-strike of offensive advantage, and conflicts resulting from bargaining over issues that affect future bargaining power” (Powell 2006: 171). Powell furthermore argues that war can come with complete information “when a state becomes convinced it is facing an adversary it would rather fight than accommodate” (2006: 194). I find in chapter four that an interaction effect stemming from a shift in the regional balance of power that

avored Iran combined with Israel's uncertainty over who actually controls Hezbollah created a similar commitment problem as the ones described by Powell. In chapters five and six I find that Israel's ability to signal its resolve by way of an audience cost mechanism was mediated, in a negative way, by a learning mechanism. In short Hezbollah had grown overly confident in its own prediction of how Israel would retaliate, and this confidence hampered Hezbollah's ability recognize the signal of resolve sent by the Olmert government.

To sum up my conclusions very briefly I will in the following chapters argue, in reverse order, that Hezbollah's failure to take into account the history of the conflict, including their own past actions, led the Hezbollah leadership to miscalculate Israel's response and misconceive Israel's preferences in 2006. In essence Hezbollah had undermined their own prediction of Israeli behavior and failed to take into account that Israel's preferences had changed between 2000 and 2006. Secondly that the combination in Israel of a weak and vulnerable government faced with criticism from the legislature created a situation internally in Israel in 2006 that was conducive to escalation. And thirdly that the relative balance of power in the region had shifted between 2000 and 2006, especially due to Iran's ballistic missiles program, in a way that made Israel think differently about how to ensure its national security. All in all this mixture of factors, all of which where in place in 2006 but not in 2000, explains, I argue, via the mechanisms laid out in chapter two, why the conflict experienced a dramatic process of escalation in 2006, and why no such escalation took place in 2000.

1.5 CHOOSING CASES

The cases selected for this study have been chosen because of their value on the dependent variable, in this I have been careful to include both positive and negative cases to ensure variance on the dependent variable (King, Verba, and Keohane 1994: ch. 4). Deliberately choosing cases in this manner makes it possible to go beyond studying the effect of causal variables, to also study causal mechanisms and differences between necessary and sufficient conditions (Elster 2007a: ch. 2; George and Bennett 2005: 23; Gerring 2006: 44), but it also ushers in issues of selection bias which I address below. I have two sets of cases each comprising three observations, thus all in all the study consists of six cases. The two sets are the crisis in 2000 and 2006, and each case consist of three sub-cases corresponding to the before mentioned three spheres. The

negative case, non-escalation, of 2000 is chosen according to the possibility principle (Mahoney and Goertz 2004). It is my view that had only a few factors been different in 2000, the conflict could have experienced an escalatory process along the lines of what happened in 2006. This of course is discussed at length in the following analytical chapters. With these cases I will test hypotheses deduced from the theoretical framework laid out in the next chapter, but following Rueschemeyer (2003) the analysis will also be used to revise in accordance with my findings the theoretical framework.

1.6 VALIDITY AND RELIABILITY

This study is not a study of the conflict between Israel and Hezbollah. It is a study of escalating international crisis, with the two confrontations between Israel and Hezbollah in 2000 and 2006 as cases of non-escalation and escalation respectively. In other words, my observations are only interesting as *cases of* escalating or non-escalating crisis (Gerring 2004). This feeds into the question of validity. It is fruitful to distinguish between two types of validity: external and internal. External validity concerns the issue of representativeness: are the cases comprising my sample representative for the relevant universe of cases of escalating crisis (Gerring 2006). External validity is often thought of as the weakness of case studies. By definition case studies consist of a few cases, and the danger that the cases selected are in some ways unique, with the consequence that the findings from the study are not relevant to other cases, “forever haunts case study research” (Gerring 2006: 43). External validity also concerns the issue of selection bias. In large-N studies several techniques can be used to ensure random selection of cases which greatly reduces the risk of selection bias. In case study research such randomization is nearly impossible, but also not desirable. If the external validity is weak, the internal validity of case studies is correspondingly strong. Case studies makes it possible to: “peer into the box of causality to locate the intermediate factors lying between some structural factors and its purported effect” (Gerring 2006: 45). An example is the interaction effect I find in chapter five, which would have been almost impossible to discover if I had employed quantitative methods. The external validity of this case study will be discussed in later chapters in conjunction with discussing my findings, as well as in the concluding chapter.

While validity concerns the issue of whether or not one asks the right questions of the right cases, reliability concerns the issue of how those questions are asked and how answers are arrived at. Findings are reliable in as far as you would get the same answer every time you ask the same question. In quantitative studies replication and different robustness checks can increase a study's reliability, but such tools are not as readily available in qualitative research. Coding criteria, how different variables are coded, how assumptions are arrived at, how sources are interpreted and how tension between conflicting sources is resolved will be discussed throughout this study and decisions will be made as transparent as possible. This will, in theory, make it possible to replicate this study which will increase its reliability.

1.7 METHODS

In this study I will test hypotheses inferred from the theoretical framework and use the findings to revise the theoretical framework. The study is constructed as a case study where an implicit controlled experiment between a negative and a positive case will be carried out. I am, however, a little hesitant to call this a controlled experiment. I will argue that learning, defined as process by which an actor comes to hold correct or incorrect assumptions about how another actor will behave in future interaction based on past interaction, is important to understand the choices Israel and Hezbollah make. If this is correct then my two cases, the 2000 and 2006 confrontation, are not independent of each other, which they would have to be if one was to carry out a proper experiment. I will also employ counter-factual reasoning in conjunction with a game theoretic analysis. On counter-factual reasoning McKeown (2004: 163) argues that: "In situations where theory is ill formed and immature, thought experiments reveal latent contradictions and gaps in theories and direct the analyst's search toward nodes in the social interaction process where action might plausibly have diverged from the path that it did follow". Furthermore, following Fearon (1991) I will specify what the outcome would have been if one or several causes had been changed, i.e. what cause would have had to be altered in my negative case if that case should also have had experienced an escalatory process, and inversely with regards to my positive case. For each of the analytical chapters I will start by proposing a hypothesis that will be framed in a very general language. Step by step I will then move through the scope conditions I believe are necessary for the hypothesis to hold, also here moving from a general wording to a more and more case specific wording. In the end I will have one case specific primary hypothesis and

several indicators flowing from this, I will then deduce testable prediction from these indicators and put my theory to test through them.

In chapters four and six I will employ game theory to analyze the empirical data. There are by and large two ways of doing a game theoretic analysis: either you (1) specify a game theoretic model first, and then see how this model fits with the data (see e.g: Powell 2007b) or you (2) use game theory to structure and analyze the data after it has been collected (e.g: Fearon 2004). With the first type you can see how different assumption gives different predictions, and study how the actual data conforms with or deviates from the specified model. The second type can be used to “make sense of” a vast and chaotic data material, i.e. to explain the observed outcome beyond simply noting that this or that factor seems to be important. This way of using game theory makes it possible to study the different decisions made by the actors and makes it easier to spot moments, nodes in game theoretic language, where different courses of action, which would have produced different outcomes, was possible.

The strength of a game theoretic analysis is that it forces the researcher to be stringent and rigorous when arguing, as well as making the analysis transparent. A formal model is easily replicable, and because the method forces one to spell out all ones assumptions it is relatively easy to check for robustness by altering assumptions and seeing if this changes the outcome (McCarthy and Meirowitz 2007; Morrow 1994). All in all this increases reliability. Game theory, however, also have many critics. On the more general level, rational choice theory on which game theory builds, have been criticized for being a “flight from reality” (Shapiro 2007) and overly technical formal models have been criticized for lacking any real world relevance (Elster 2007b). In the end I, at least, believe that the importance and usefulness of political science is invariably intertwined with the discipline’s ability to conduct relevant research on important issues. Therefore even though much of this critique has in turn been criticized for fighting against straw men, it is important to take note of it and strive to produce useful social science. This brief and general look at the methods employed will be expanded upon in conjunction with the actual use of the methods and discussion of results in the analytical chapters.

1.8 DATA AND SOURCES

The data used in this study stems primarily from secondary sources. The media coverage of the both the region and conflict is extensive, and several news sources will be utilized. I will also draw heavily on scholarly articles and books, reports from research institutes and books written for a more general audience by various experts and knowledgeable observers, e.g. journalists. This data material will be complemented with interviews with experts and journalists in the region.

1.9 PLAN OF THE THESIS

Following this introductory chapter the next chapter lays out the theory which this thesis builds on. It will discuss the use of mechanisms, the different mechanisms I will examine through my primary hypotheses, and the rationalist framework I write within. The third chapter backgrounds the conflict, and is a brief history of the situation in the Middle East from the end of the 1973, or Yom Kippur, War until the Israeli withdrawal from southern Lebanon. The fourth chapter is the first analytical chapter and it focuses on the systemic level, analyzing in particular Israel's relationship with Iran, and Iran's relationship with Hezbollah. The fifth chapter deals with internal Israeli politics and the decisions made by the Ehud Barak and Ehud Olmert governments following the October 2000 and July 2006 Hezbollah kidnappings. The sixth chapter is the last analytical chapter and covers the direct strategic interaction between Israel and Hezbollah, focusing particularly on miscalculation and on information asymmetries. Lastly I end this thesis with a concluding chapter that sums up my main findings and discusses the implication of these findings for theory.

2 THEORY

Man and his affairs, however, are always something short of perfect and will never achieve the absolute best. Such shortcomings affect both sides alike and therefore constitute a moderating force.

Carl von Clausewitz (1976: 78)

This chapter lays the theoretical foundation for the following analytical chapters. To reiterate, the goal of this entire endeavor is to try to explain why two seemingly similar crises had so very different trajectories. In order to be able to explain this puzzle I believe it is necessary to address both the international and the domestic aspects of the situation. It might be perfectly possible to find a satisfactory explanation for why the crisis in 2006 escalated so much further than the one in 2000 at either the international or domestic level. Ultimately however I believe I will be able to paint a better and more nuanced picture by focusing on both aspects. Although in the end I will not have provided an explanation as parsimonious as one offered by a purely systemic view, I will offer a rigorous and fine-grained one. I employ a rationalist framework to structure my analysis. Following the same recipe as Moravcsik (1998) this framework is used to designate a set of assumptions that makes it possible to break my object of study, escalation of crisis, into smaller parts. More focused and much more nuanced theories will then be employed to analyze the different elements of the study.

Mechanisms will be the central component of the theoretical framework. I will draw mechanism from other theories and show how these mechanisms link together different elements of the study, and explain why the crisis in 2006 escalated further than the one in 2000. The five mechanisms I propose together explain the escalation in 2006, as well as the non-escalation in 2000, are: (1) audience cost, the (2) inclination to share responsibility, (3) standing up to a bully, (4) learning and (5) competition. These five mechanisms link together both domestic and international aspects, and show why the probability of an Israeli escalation was much greater in 2006 than in 2000. The mechanism also makes it possible to show what other factors would have had to be present in order for the 2000 kidnappings to have set in motion the same escalatory process as in 2006. It would of course have been possible to include other mechanism, but as I explain in detail below, I believe these five mechanisms are necessary and sufficient causes in explaining the empirical puzzle. In the following I will first briefly consider what rationalism is,

then I will move on to rational institutionalism which this study builds on. After having considered the issues of how to determine actors' preferences I move on to mechanism. I first spell out what mechanisms are, before I describe the mechanism that will be examined in this study.

2.1 RATIONALISM

As noted a partial aim in this thesis is to integrate domestic and international politics in order to create a coherent understanding of why crisis escalate. No single theory is capable of explaining every piece of this puzzle, so multiple theories will be employed to try to explain different parts of the puzzle. The different theories do however have to rest on a common foundation, and that foundation will in this case be rationalism, or more precisely rational institutionalism (Milner 1998: 21). Escalation of crisis is a complex and multifaceted phenomenon, and rationalism will simply be used as a framework in order to find a set of very basic assumptions that allows me to break the phenomenon up in multiple smaller parts that can be studied (Moravcsik 1998: 21). The smaller parts are the different mechanisms at work in the different spheres that together explain the object of study. More focused theories, which do not break with the basic assumptions of the rationalist framework, will then be employed in explaining the different parts of the puzzle. Rationalism in my context can be summarized as a method or recipe as laid out by Fearon and Wendt (2002: 54). You start with an (1) action or pattern of action to be explained. Then you (2) posit a set of actors with the capacity to take the action in question. Next you (3) propose a structure of interaction², i.e. a sequence of choices, that embed the actions taken that you are interested in, in a larger universe of possible actions. Then you (4) make arguments about the preferences each actor holds. Lastly you (5) show under what conditions the outcome or patterns of action in question would emerge if the actors were choosing rationally in light of their beliefs and other actors' choices. In a game-theoretic model beliefs are also subject to Bayesian updating, or learning³.

² E.g. a specific game.

³ Emphasis will be put on path dependence in this essay, so this is especially relevant.

2.2 RATIONAL INSTITUTIONALISM AND THE LOGIC OF TWO LEVEL GAMES

The theory of rational institutionalism appears to be the most developed and rigorous theory for integrating domestic and international politics. The theory focuses on institutions, and on how institutions aggregate the diverse preferences of multiple actors into a collective decision. Milner (1998: 760 - 761) defines institutions as: “means by which the diverse preferences of individuals are aggregated into choices or outcomes for the collective”. This type of analysis implies a concern with mechanisms of collective choice in situations of strategic interaction. A rationalist model analysis either how outcomes change when you (1) alter institutions while holding preferences constant, or how outcomes change when you (2) alter preferences but hold institutions constant (Milner 1998: 783). For the following two reasons I will focus on changing preferences while institutions are held constant. First and foremost because Israel has not seen any major changes in the institutions that govern the country in the period from 2000 to 2006 (Schindler 2008). A focus on changing institutions would therefore have to be a counter-factual analysis where I would argue e.g. that the outcome would not have occurred had this or that institution been different. Secondly because my focus is on the actors, and why the actors in question made different choices in 2006 compared to 2000, a focus on preferences, and especially changing preferences, seems both appropriate and fruitful. The focus on preferences is also emphasized by Moravcsik (1997). In his theory the key actors are not states, but groups and individuals inside of states. These actors behave on average rational. The state represents a subset of individuals, and the institutions of the state are key to understanding how diverse preferences are aggregated into state policy. Finally states are mutually dependent on each other, so the composition of state’s preferences determines international outcomes.

A rationalist institutionalist framework makes it possible to relax two central assumptions in international politics: (1) that states are the primary actors in international politics and (2) that states are unitary actors. Relaxing the second assumption means “bringing domestic politics back in”. Milner (1998: 775) argues that in democratic states at least two actors vie for control over policy making: the executive and the legislature. In addition to this, important civil society institutions, political parties, the army etc may also be conceptualized as actors within the framework. The actors have a common attribute in that they share control over some or all of the key elements in the decision-making process: setting the agenda, devising policy proposals and

implementing policies. The strategic interaction of the actors within the Israeli political system determines policy outcome. It is the focus on strategic interaction that distinguishes this model from earlier work such as Allison (1999). Instead of just showing that different actors within the state hold different preferences, we can now model how these preferences are aggregated into collective outcomes.

I will focus on the interaction between a state and a non-state actor, and this obviously makes it necessary to use a theory that does not view the state as the only relevant actor in international politics. In a rationalist intuitionist framework the claim is that although not all institutions are similar, all institutions have mechanisms for aggregating diverse preferences into outcomes (Milner 1998: 780). By and large this reasoning has been applied to the importance of institutions in international relations. It has never been used to model the interaction between a state and a non-state actor like Hezbollah. The question therefore is to what extent Hezbollah shares this lowest common denominator. In her book on Hezbollah Judith Palmer Harik (2004) paints a picture of Hezbollah that justifies treating it as an institution. The highest authority in Hezbollah is the consultative council, followed hierarchically by the executive consultative council and a politburo (Harik 2004: 53 - 54). The politburo coordinates the work of Hezbollah's various committees that deal with everything from garbage collection through education to violent terrorism (Harik 2004: ch. 6). Similarly Hamzeh (2004: ch 4) describes Hezbollah as a large and complex organization. Hezbollah provides different kinds of health care, e.g., for over 400.000 individuals, and Hamzeh argues that the organization is best described as a "combination of what Maurice Duverger and Giovanni Sartori call mass party and cadre party" (2004: 74).

2.3 SETTING PREFERENCES

Determining the preferences of the different actors will be of central importance. In the literature this is done, mainly, in three ways: (1) by assumption, (2) by deducing them from basic interests or⁴ (3) by borrowing from other theories that can shed light on the actors' preferences (Milner 1998: 784). The goal is to combine the strength of game theory in analyzing situations of strategic interaction, with the knowledge of preferences and beliefs gained from e.g. constructivism (Milner 1998: 785). A constructivist example of how to determine preferences is

⁴ This method introduces a new problem since you then have to determine the basic interests.

found in Johnston (1996). Johnston uses texts by Mao to construct a Chinese preference ranking in military conflict with another state: offensive operations will be preferred over static defense, and static defense will be preferred over accommodationist strategies (1996: 248). To borrow from constructivism in this way is appropriate as long as we do not violate the basic rationalist assumptions of the framework, and it mirrors what Moravcsik did in his study of European integration (1998: 18 - 19). All of these methods may be useful, but I will rely by and large on the second and the third. I will use deduction to construct Hezbollah's preferences, and I will borrow from other theories and deduce to determine the preferences of Israel. I.e. for the Israeli case I will do some of the "ground work" myself by interviewing and by relying on data collected from such interviews, books and other written sources to determine preferences.

2.4 ON MECHANISMS

So far we have dealt with theory on an abstract level, but it is time to move on to more fine-grained theories meant to explain each element in the analysis. In order to do that I have to make a small detour to explain what I mean by mechanisms. What I am interested in is uncovering the chain or sequence of mechanisms that make a situation develop from a state of crisis to a state of conflict. Mechanisms will be understood as "frequently occurring and easily recognizable causal patterns that are triggered under generally unknown conditions or with indeterminate consequences" (Elster 2007a: 36). These mechanisms allow us to explain, but not to predict outcomes. Conversely you may define mechanisms as "a delimited class of events that alter interaction among specified sets of elements in identical or closely similar ways over a variety of situations" (McAdam, Tarrow, and Tilly 2001: 24). This later definition is especially useful since it highlights the importance of processes. A process can then be defined as a sequence of mechanisms.

2.5 MECHANISMS OF ESCALATION

I am looking for mechanisms in each of the spheres forming this analysis that can explain the escalatory process that can take a situation from crisis to conflict. The mechanisms I will consider are: domestic audience cost, desire to stand up to a bully, inclination to share responsibility, learning and competition. I am arguing, to make it explicit, that the following mechanisms explain why the crisis in 2006 escalated much further than the crisis in 2000, and furthermore that

these mechanism show that a focus on both international and domestic elements is necessary to arrive at a full and nuanced explanation.

Table 2-1: The Framework⁵

Stages	Preference formation	Interaction mechanism	Outcome
Outcome	Underlying Preference:	Given preference, what explain outcome:	Increased risk of escalation
	Security, and national honor	Audience cost, Learning	
	Staying in power	Audience cost	
	Sharing responsibility &	Sharing responsibility	
	Spreading cost		
	Standing up to a bully	Anger	
	Security concerns, increase standing in region,	Competition	
	<div>↓ ↓</div> Preferences		Increased risk of escalation

2.5.1 AUDIENCE COST

The audience cost mechanism links together two internal players in my framework, the Israeli cabinet and the public, and furthermore links these two actors with escalation of the crisis. International crisis are public events that take place before a domestic audience, “domestic audience cost arise from the action of domestic audiences concerned with whether the leadership is successful or unsuccessful at foreign policy” (Fearon 1994: 577). Michael Tomz recently carried out an experiment to check if he found evidence of audience cost, and at least for the American public he found considerably evidence of such (Tomz 2007). Tomz finds a marked increase in the proportion of people who strongly disapprove, and a marked decrease in the proportion of people who approve of the president in a situation where the president threatens to use force but then in the end fails to carry through on the threats. In short he finds that people care about the international reputation of their country and the leader.

⁵ The design of this figure is borrowed from Moravcsik (1998).

Audience cost links together the executive and the public with escalation of crisis in the following manner. After both actors have made their first move, i.e. after one actor has provoked another actor and that actor has not simply ignored the provocation, the first actor face the option of either escalating or backing down. If the leader chooses to back down after having engaged with the foreign actor, he runs the risk of paying an audience cost as described above. Once a crisis has begun and the leader has escalated *beyond a point of normal reaction* he will find it hard to back down without losing face. I assume that the political leader has as a core preference the goal of serving and defending his country, but I also assume that the leader has a preference for staying in power (Milner 1997). His ability to stay in power will be severely limited if he suffers an audience cost, and therefore once he has escalated a crisis it is difficult to back down. I insert the clause “beyond a point of normal reaction” because the situation in Israel entails a steady stream of attacks. Most of these attacks are answered in one way or another, but this is more akin to a normal tit-for-tat situation. The danger of escalation, and with it the chance of suffering an audience cost, arises for an Israeli Prime Minister only when he reacts above and beyond the normal tit-for-tat procedure. If, however, a Prime Minister chooses to react above and beyond, audience cost as a mechanism alters the relations between the political leadership and the public, and through this a mechanism that can lead to escalation of a crisis. The causal chain is here quite straight forward. Once a decision to escalate has been made, the mechanism makes it difficult to back down and makes it more likely that crisis will escalate further. This mechanism can thus not explain the initial decision to escalate, but it can help explain why escalation is continued once it has reached a certain point.

2.5.2 SHARING RESPONSIBILITY

Milner argues that for the legislature to be relevant in international relations it has to be more hawkish than the executive (Milner 1997: 77 - 81). Only then will the legislature be able to alter the outcome of international trade negotiations, which is subject of her book. International crisis situations however are of a distinctively different nature from trade negotiations. Situations of crisis tend to move faster, and the decisions leaders make and the outcome this produce have more immediate, serious, and often fatal consequences. Compared with trade negotiations, decisions of war and peace are not, usually, motivated by partisan politics. Although they may of course be motivated by the desire for increased power, this is much less true in democracies than

in other or earlier regimes, if for no other reasons than because wars of conquest are not considered normal politics as they once were (Creveld 1991). The role of the legislature must therefore be analyzed in a very different way for my purposes here. I suggest that the legislature can play an important role, and have decisive power, in situations of escalating crisis through the mechanism resulting from the very human instinct of wanting to share responsibility or to spread cost.

The former Israeli Foreign Minister Abba Eban alludes to this. In his autobiography he discusses former Israeli Prime Minister Levi Eshkol's decision to expand the cabinet with members of the opposition parties during the run up to the 1967 war. In his words: "Eshkol's agreement to have opposition leaders join the meeting of the Cabinet Defense Committee showed that he, too, was moved by a natural instinct to share responsibility" (Eban 1977: 387). Another example of such behavior can possibly be found in President Bush's decision to seek an authorization from congress before he invaded Iraq⁶, an authorization he did not legally need since the President has the prerogative as commander in chief to attack other countries (Bradly and Goldsmith 2005)⁷. Since decisions such as these are life and deaths decisions, which will affect the whole country in a much more brutal way than a new international trade deal, the legislative will, through the mechanism of sharing responsibility, play an important part. In real terms this means that the executive will be very careful in integrating the legislative in the decision making process, and she will take care to not stray too far from the views of the opposition. I expect that the executive will not escalate a crisis to the brink of war without having consulted heavily with prominent members of the legislative, so that the decision in the end appears to be the decision of the *state* and not just the executive. This mechanism thus explains how the legislature plays a part in escalation processes. The causal chain here is: Because of the inclination to share responsibility; the executive will consult with and try to make the legislature a part of the decisions that are made. This not only gives the legislature a place in the decision making process, it also gives it power over the outcome since it would be virtually impossible for any executive to ignore the legislature without losing all credibility after having included that body in the process.

⁶ The now infamous "Joint Resolution to Authorize the Use of United States Armed Forces Against Iraq" US Congress (Joint Resolution to Authorize the Use of United States Armed Forces Against Iraq 2002).

⁷ I am shortcutting a constitutional debate here. Some argue that the President needs such an authorization, but most seem to think that he does not. Bradley and Goldsmith summaries the pro and con arguments (2005).

2.5.3 STANDING UP TO A BULLY & LEARNING

Two mechanisms link Hezbollah and Israel. The first explains Hezbollah's decision to attack Israel, and the second deals with the issue of path dependence. Theoretically the Hezbollah leadership should be as concerned about audience cost as the Israeli leadership. Hezbollah is a complex organization (Harik 2004), and its leaders need support in the same way as the leader of a political party. Hezbollah has long been engaged in a tit-for-tat game with Israel where Hezbollah makes minor incursions into Israel, and Israel retaliates in kind. However in 2006 Israel, to Hezbollah's surprise, answered much more forcefully than it had in the past. This suggests another mechanism might be at work. Fearon argues that: "particularly in small, relatively powerless countries, publics may actually reward leaders for "standing up against" a larger state's implicit or explicit threats" (Fearon 1992: 184). The mechanism here is one of anger. Anger is triggered, among other things, from the belief of being slighted (Elster 1999: 54) and according to Elster it is followed by a tendency to "cause the object of the emotion to suffer" (Elster 2007a: 153). The mechanism here works in two ways, but it is only relevant for this study in one of them. First it may explain Hezbollah's decision to attack Israel in the first place; this decision is however outside of this study. Secondly, and definitely relevant here, it helps explain why the Hezbollah leadership did not pay an audience cost and therefore why the leadership decided to escalate the crisis. The chain here works as follows: first the anger mechanism induces Hezbollah to act against, real or perceived, oppression and oppressors. Secondly Hezbollah is not constrained by the audience cost mechanism, but rather is "pushed" by people's desire to stand up to a bully and therefore escalates the crisis.

Learning can be thought of as "a change in beliefs or change in one's confidence in existing beliefs, which can result from exposure to new evidence, theories, or behavioral repertoires" (Simmons, Dobbin, and Garret 2006: 795). Paul Pierson warns that learning in politics may occur but "there is little reason, however, to think that this acts as a selection mechanism with anything like the efficiency-enhancing properties of market competition (...) [B]ecause political reality is so complex and the tasks of evaluating public performance and determining which options would be superior are so formidable, such self-correction is often limited" (Pierson 2004: 41). My understanding of learning is slightly different from Pierson's, although his view informs mine to a great extent. While he argues that learning does not prevent path-dependence, i.e. learning in

politics is not efficiency-enhancing as it may be in market competition, I argue that learning rather leads to path-dependence. Learning in this study means that the lessons actors take with them from earlier interaction, influences the choices they make in later interactions. This means that learning does not necessarily ensure that actors will make better choices at later points, only that what they believe are the lessons learned from earlier encounters will inform later choices. Related to escalation, learning as a mechanism can work both ways. Learning about one's adversary can both "harden" and "soften" the way we perceive him. If our perception is hardened we are more likely to think that brute force is the only way to deal with him, if it is softened the opposite might become our belief. The same mechanism may provide both effects, so it allows us to explain *ex post*, but not to predict (Elster 1999).

It is important to note that this concept of learning is thicker than the concept of Bayesian learning in game theory. In Bayesian updating a player makes his choice based on the perceived probability of the other player being of a certain type, i.e. being e.g. either hawkish or dovish (Morrow 1994). It is not evident that this kind of learning will create path dependence, since it only implies that the players are able to make better informed choices. For this study learning will not only affect the preference ranking, which Bayesian updating does, it also will affect the preference formation. Through continued interaction actors, in this case the Israeli actors and Hezbollah, come to believe that they have deeper understanding of how an actor will behave in a given situation. This knowledge informs the choices they take, or to put it in game theoretic terms: it affects both the actors' own preferences, and the preferences they believe the other actors have over the different outcomes. This ties together with the issue of how to determine preferences, and instead of just relaying on assumptions I may now draw on the literature e.g. on socialization from constructivism (Checkel 2001; Checkel and Zürn 2005). Through continued interaction the actors come to believe that they know how to deal with their enemy, this closes off a range of possible reactions to a provocation and through this mimics path dependence.

2.5.4 COMPETITION

The first two mechanisms operate in the sphere of domestic Israeli politics, the second two operate at level of the second sphere, the relationship between Israel and Hezbollah, whilst this fifth mechanism operate in the third sphere, the international system. The relationship between states can take on a variety of forms (Buzan and Wæver 2003), but I argue that the relationship

between Israel and Iran, which will be the focus in the third sphere, is best analyzed as one of classic anarchy and distrust. Calculation of power dominates the relationship between Israel and Iran, and such calculation leads to competition of power (Mearsheimer 2001: 18). The primary goal of any state, according to neorealist thinking, is survival. States “seek to maintain the territorial integrity and domestic political order (Mearsheimer 2001: 31). The combination of the desire for survival with anarchy and distrust, leads states to be fearful of each other, and this fear⁸ induces states to behave aggressively. Anarchy and distrust are static factors in realist theory so they can not explain variation in the behavior of states. The central factor for explaining such variation is the capability states have to threaten each other. The capability to threaten varies and, and this variation explain why states grow more or less fearful of each other (Mearsheimer 2001: 43). Powell (1999: ch 4) argues that variation in states capability to threaten each other can be a potent cause for war, especially in situations of asymmetric information. The mechanisms in operation are thus both fear and competition. According to Waltz behavior common for competitors is to: “imitate each other and become socialized to their system” (Waltz 1979: 128). Even though Iran on the face of it did not play an immediate role in the 2006 war, I expect Israel to “factor Iran in” when deciding how to respond to Hezbollah’s actions. This is due to the competition which necessitates that Israel has to consider not only its relationship with Hezbollah, but also its wider relationship with other powers in the region when engaging in conflict. To put it in realist terms I’m claiming that states, in this case Iran and Israel, are very sensitive to changes in relations of power between them, and that Israel is concerned about the growth of Iran (Waltz 2000).

To grind it a little finer I will expect competition of power to play a part in Israel’s deliberations only when it considers other actors in the region to be an actual or future potential threat. Jordan is not now, and is not in the near future likely to constitute, a threat to Israel, so Jordan is not a factor in whether or not Israel chooses to go to war. The focus is on Iran because Iran was a very different actor in 2006 than in 2000. While Israel might have safely ignored Iran in 2000, the Olmert government may have felt that it was impossible to do so in 2006. The implicit hypothesis is that Israel in 2006 viewed Iran as a present or potential competitor. The logic behind this mechanism is that Israel will treat the confrontation with Hezbollah as a part of the competition

⁸ On emotions, especially fear, in international politics see: Crawford (2000).

with Iran. Israel will therefore act in a manner that ensures that its position vis. a vis. Iran will be strengthened. If on the other hand no competition effect with Iran took place, such considerations would not be a part of Israel's decision to escalate in 2006. Competition and fear leads to the following causal chain: after Israel is confronted by Hezbollah, she has the choice of not responding, escalating in a tit-for-tat manner or escalating in a more decisive manner. In a situation where Israel believes that escalating in a more decisive manner strengthens her competitive position, Israel will take this into account and when choosing how to act. The mechanism may however also work in the opposite direction; if a confrontation with an adversary could weaken state A's position vis. a vis. state B, state A is more inclined not to escalate.

2.6 CONCLUSION

What makes a good theory? Obviously a theory is only as good as its explanatory power. A theory's independent variables should explain as much as possible of the variation in the dependent variable, but at the same time it needs to, at least to a certain extent, be parsimonious, i.e. a theory should "elucidate by simplifying" (Van Evera 1997: 19). The focus on theory is very important in this study, and I will subject all of the mechanisms I have chosen to rigorous testing to see if they do have explanatory power. The underlying, implicit, grand theory is that both domestic and international factors are necessary, and conversely therefore that neither domestic nor international factors are alone sufficient, for explaining why the conflict between Israel and Hezbollah experiences seemingly abrupt "escalation moments". I have deducted the five mechanisms comprising this study from theoretical works in order to test it in a way that will leave it open to falsification. In the next chapter I will provide an overview of the conflict between Israel and Hezbollah from the 1973 Yom Kippur war until the Israeli withdrawal from southern Lebanon in the summer of 2000. My analysis will start directly following that chapter.

3 THE BACKGROUND

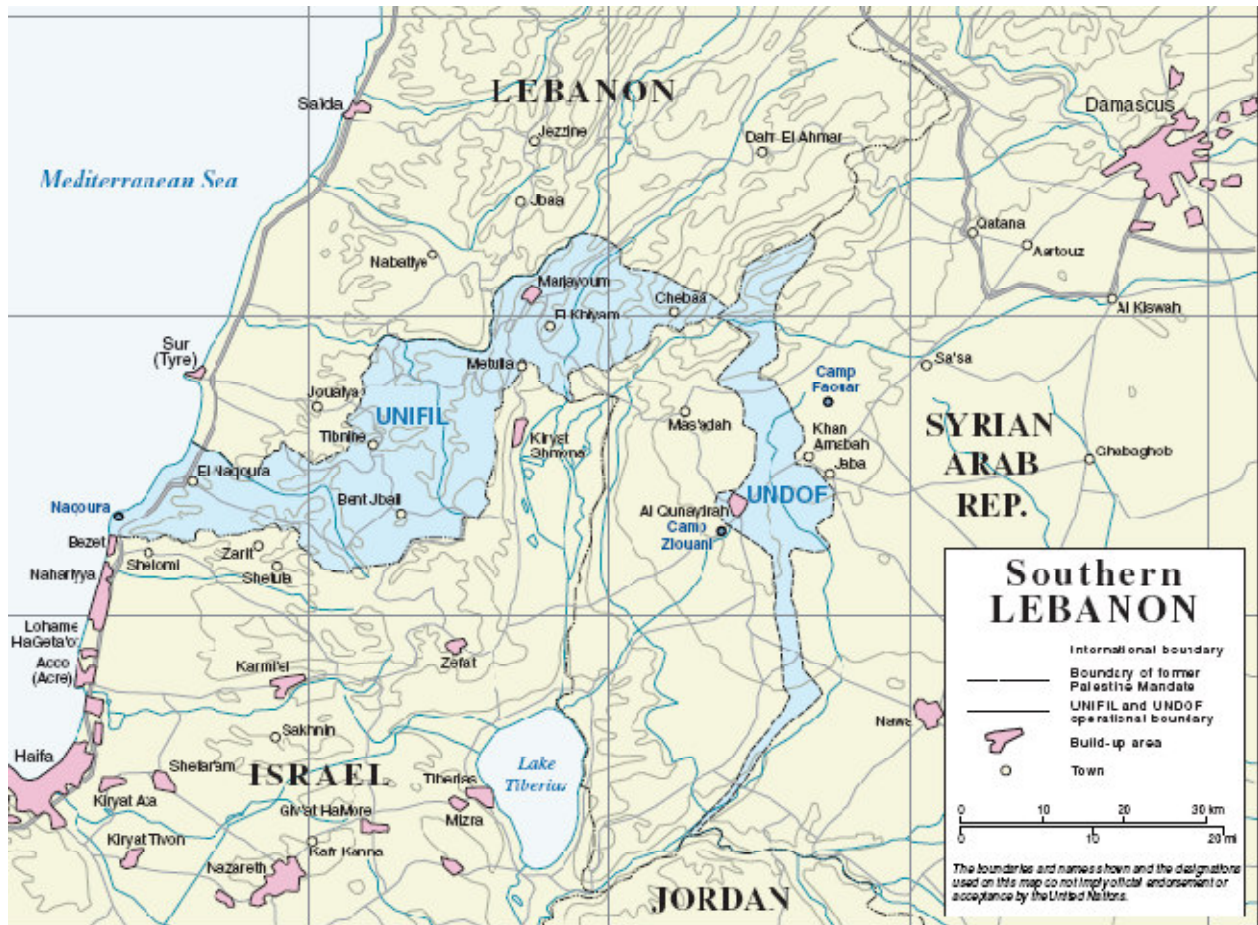
*What cause have we to complain
about their fierce hatred of us?*
Moshe Dayan (1976)

3.1 INTRODUCTION

The following chapter backgrounds the conflict between Israel and Hezbollah. I start with the end of the Yom Kippur War, and cover the period up to Israel's withdrawal from Lebanon. I have chosen the end of the Yom Kippur war as my starting point since this marks the final, thus far, all out war between Israel and its neighbors. Later conflicts would be much smaller and they would be between Israel and organizations such as the PLO, Hamas and Hezbollah rather than Egypt, Syria and Jordan. The end of the Yom Kippur war also marks, to a certain degree, the final border settlements between Israel and its neighbors. I am not claiming that there were not any border changes after 1973, but these came as a response to peaceful negotiations and not conquest. Although the period after 1973 is unmarked by conventional maneuver warfare involving Israel, it was far from peaceful. Israel was consistently engaged with various enemies both internal and external, and this period also saw the war between Iran and Iraq and the first Gulf War. In addition this period saw the end of the Cold War and with it the end of proxy wars and the demise of the Soviet Union as an important actor in the Middle East.

In the following I will pay attention to both the internal political change in Israel as well as external developments. With regards to politics in Israel I will look at the election of Menachem Begin as the first non-labor movement Prime Minister in Israel following the Yom Kippur war, and the Oslo peace process and the assassination of Yitzhak Rabin. The disappointment with the Oslo process which led to the election of another Likud Prime Minister Benjamin Netanyahu, and the following leftwards shift with the election on Ehud Barak. I will look at Israel's invasion of Lebanon in 1982, the Intifada and the appearance of Hamas and Hezbollah. This chapter will end with the election of Ehud Barak and the final Israel withdrawal from Lebanon in 2000. The chapter will also give an appraisal of the balance of power between Israel and Hezbollah throughout the 1990s.

Figure 3-1: The Southern Lebanon Region⁹



3.2 OCTOBER SURPRISE

Reflecting on the 1973 war Israel's one-eyed Minister of Defense Moshe Dayan observed that this was the most difficult of Israel's wars. Not only had the Syrian and Egyptian armies technically been thoroughly upgraded, the fighting quality of the soldiers had vastly increased. In the closest thing an Israeli General can come to pay homage to Arab soldiers Dayan writes: "As for the fighting standard of the Arab soldiers, I can sum it up in one sentence: they did not run away. (...) Not this time. Now, in the Yom Kippur War, even when they suffered heavy casualties and recognized that the battle was lost, they did not run, they withdrew" (Dayan 1976: 510). At kilometer 101 on the Suez-Cairo road on November 11th 1973 Israel and Egypt signed a cease-fire agreement ending what would be called the Yom Kippur or the Ramadan War (Morris

⁹ Map retrieved from the UN. See: http://www.un.org/Depts/Cartographic/map/profile/southern_lebanon.pdf

2001). The war started on October 6th with a combined attack by Syria and Egypt on Israel. It ended, one could argue, in 1977 when Likud emerged victorious from elections, broke the Labor movement's monopoly on Prime Ministers in Israel and Menachem Begin formed a rightist cabinet (Schindler 2008: 146). The election of Begin as Prime Minister had far reaching consequences for Israel's relations with the Arab states. The chief difference between the Labor movement and Likud was that the labor movement was pragmatic, whereas Likud was ideological. When Labor wanted to hold on to the territories occupied in 1967 for security reasons, Likud wanted them for ideological reasons (Shlaim 2001).

Mindful of the fact that he internationally was considered to be both a fanatic and a warmonger, Begin decided to offer the post of foreign minister to Moshe Dayan. Dayan accepted the post on the condition that Israeli sovereignty was not extended to the occupied areas while peace negotiations with the Arab states was taking place (Shlaim 2001: 354). Begin, who had reportedly told Zbigniew Brzezinski that: "My right eye will fall out, my right hand will fall off, before I ever agree to the dismantling of a single Jewish settlement" (Morris 2001: 468), accepted this condition and Dayan was put in charge of the peace negotiations with Egypt. The negotiations ended on the 26th of March 1979 with a peace treaty, the Camp David Accord, which normalized the relations between Israel and Egypt. In the following months Israel withdrew from the Sinai Peninsula in accordance with the plan, while Egypt was expelled from the Arab League for having broken ranks and made a deal with the enemy (Shlaim 2001). On the issue of autonomy for the Palestinians things did not look as optimistic. Prime Minister Begin had no real wish for the autonomy negotiations with the Palestinians to succeed, and in the end both Moshe Dayan and Minister of Defense Ezer Weizmann, who had also broken ranks with the labor movement and joined Begin, resigned from the cabinet. Weizmann was so thoroughly disillusioned with the Begin leadership that while leaving the Prime Minister's office after having delivered his letter of resignation he tore down a peace poster hanging on the wall, exclaiming "No one here wants peace" (Shlaim 2001: 383). The Camp David Accord proved durable, but it also meant that Israel no longer had to expect war with Egypt. This made it possible for the Begin cabinet to ignore the issue of the Palestinians, attack Iraq's nuclear reactor and invade Lebanon in 1982.

3.3 ARIK'S WAR

Alluding among other things to the training camps in the Beqaa valley Ariel Sharon described Lebanon in the 1970s as the “center of world terrorism” (Morris 2001: 499). The 1970s saw a marked increase in the number of cross-border terrorist attacks from Lebanon into northern Israel. The Lebanese government was unable to stop these attacks even though Israeli retribution wrought havoc on the Lebanese countryside (Morris 2001). After having launched operation “Peace for Galilee” and invaded Lebanon Israeli troops on the 20th of June 1982 encircled the Lebanese Presidential Palace. A few months later, in September, after the Lebanese president-elect Bashir Gemayel was killed in an attack on the Phalange party headquarters, the Israeli army entered Beirut (Traboulsi 2007: 213 - 220). This was the culmination of a process that started with terrorist attacks on northern Israel and was followed by an alliance between Israel and the Lebanese Christian maronites. The Begin government had two goals in this process: to evict the PLO from Lebanon in order to have a freer hand in dealing with Gaza and the West Bank, and to ensure Christian domination over a Lebanon which would then sign a peace treaty and normalize relations with Israel (Morris 2001: Ch. 11).

The Israeli invasion of Lebanon was carried out against the opposition of a *majority* of the cabinet, against the advice and recommendation of the intelligence community and against the explicit opposition of the senior ranks of Israeli Defense Force (IDF) (Schiff and Ya'ari 1984: 301). The operation succeeded in ending PLO's state within the state and eliminating the supply lines for international terrorism (Schiff and Ya'ari 1984: 306), but the war did not put an end to what the Begin government called the “Palestinian problem”. It did not turn Lebanon into a Christian dominated and reliable Israeli ally and it did not end Syria's domination over the Lebanese state. On the contrary it plunged Lebanon even more deeply into civil strife, it heightened Syria's domination, it brought about the forming of Hezbollah and it could of course never solve the “Palestinian problem” since it did not address that conflicts root cause at all (Morris 2001). The most infamous instance in the first Lebanon war is the massacres in Sabra and Shatilla. An Israeli commission of inquiry, the Khan commission, concluded that Israel bore responsibility for the massacres and went so far as comparing Israeli responsibility to the responsibility of Polish and Russian authorities for the pogroms carried out against Jews in the nineteenth century (Morris 2001: 548).

The IDF occupied Beirut until June 1985 when they redeployed to the south of Lebanon, in what would be called the security zone, where the IDF stayed until the summer of 2000. The operation managed to evict the PLO from Lebanon, but the victory was pyrrhic, in its place came a much more uncompromising organization: the Hezbollah (Shlaim 2001). In the course of the war Israel antagonized most of the population in Lebanon, and was subject to international condemnation, but the war also left the Israeli society bitterly divided (Morris 2001: 559). Peace Now, the Israeli peace organization, had as a governing principle not to organize demonstrations during a war. As a symbol of the internal division in Israel however, Peace Now organized a demonstration as early as July of 1982 which attracted more than 100.000 demonstrators (Schindler 2008: 177). This division not only occurred inside Israel, it also involved the Jewish diaspora in the U.S. The American Israel Public Affairs Committee¹⁰, decidedly an establishment organization, welcomed the same Reagan plan¹¹ the Begin government was shocked by, and an opinion poll found that as much as 70 % of American Jews favored talks with the PLO if the PLO seized terrorist activities (Schindler 2008: 194). The reign of Menachem Begin ended in august of 1983 when he handed over the premiership to Yitzhak Shamir, his foreign minister.

3.4 THE INTIFADA

In 1986 Shimon Peres recognized the Palestinians as a separate people. Between Yitzhak Shamir's attempts at blocking any negotiations with Palestine and the war between Iraq and Iran, which occupied most Arab governments at the time, the Palestinian issue, however, mostly receded from the spotlight in much of the 1980s (Schindler 2008). This changed suddenly when the first Intifada started in December of 1987. The intifada came as a surprise both to Israel and the PLO, and it had its cause in the inhabitants of Gaza, the West Bank and East Jerusalem's national and economic aspirations (Morris 2001). It began not as an armed rebellion but, in Benny Morris' words, "as a massive persistent campaign of civil resistance, with strikes and commercial shutdowns, accompanied by violent (though unarmed) demonstrations against the occupying forces. (...) The intifada was a political struggle (...) though it started as a mass protest against unbearable economic conditions" (Morris 2001: 561).

¹⁰ Abbreviated AIPAC, this organization constitutes a vital part of what is often termed the Israel lobby.

¹¹ The Reagan plan was issued unilaterally by the White House without prior consultations with the Israeli government. It argued that the West Bank settlements were an obstacle to peace (Schindler 2008: 175)

The PLO was acutely aware that if it was to have any success in confronting Israel it was vital to win the international propaganda war, and that the only way to do this was to maintain the image of the intifada as a popular revolt of a Palestinian David against an Israeli Goliath (Morris 2001: 580). The use of guns was therefore forbidden, and tactics such as setting crops on fire was abandoned once it became clear that it harmed the intifada's support among left-leaning Israelis and world opinion. The PLO also attempted to regain control over the occupied territories from Israel. Informants had been the backbone of the Israeli army's operation in the occupied territories, but by targeting these collaborators the intifada managed to effectively sever the army's control of both the West Bank and Gaza (Morris 2001). The Israeli army, on the other side, never succeeded in devising an effective strategy that would both put an end to the riots, and not put Israel at a disadvantage in the court of public opinion. From the start the top Israeli Generals told the cabinet that although they could deal with specific situations, they could not stop the intifada entirely and in the end the solution would have to be political (Morris 2001).

The army's biggest problem was to deal with riots and rioters without appearing to be using excessive force. To this end plastic bullets were introduced and teargas and truncheons became standard equipment for Israeli soldiers. All in all though the army did not show any reluctance to use force, rather it became more and more punitive: "curfews, traffic restrictions, school closures, house demolitions, deportations, collective punishments, administrative detainment – all measures that had hitherto been sporadic (...) now became customary" (Cohen 2008: 143). Martin van Creveld argues that the army was suffering from having to fight an enemy much weaker than itself, and it failed to take into account the moral implications of a prolonged struggle against a much weaker enemy (Creveld 1998: 346). In 1992 Yitzhak Shamir was defeated in elections and Yitzhak Rabin came to power. Riding a wave of first-time voters without strong party affiliations, Rabin's election signaled the end of rigid adherence to ideology. Rabin wanted an autonomous Palestinian state and he wished to freeze all settlement (Schindler 2008). The intifada ended formally in September of 1993 with the signing of the Oslo accord (Morris 2001: 594). It ended in something close to a draw with Israel recognizing the PLO and the PLO recognizing Israel.

3.5 ENTER: HAMAS

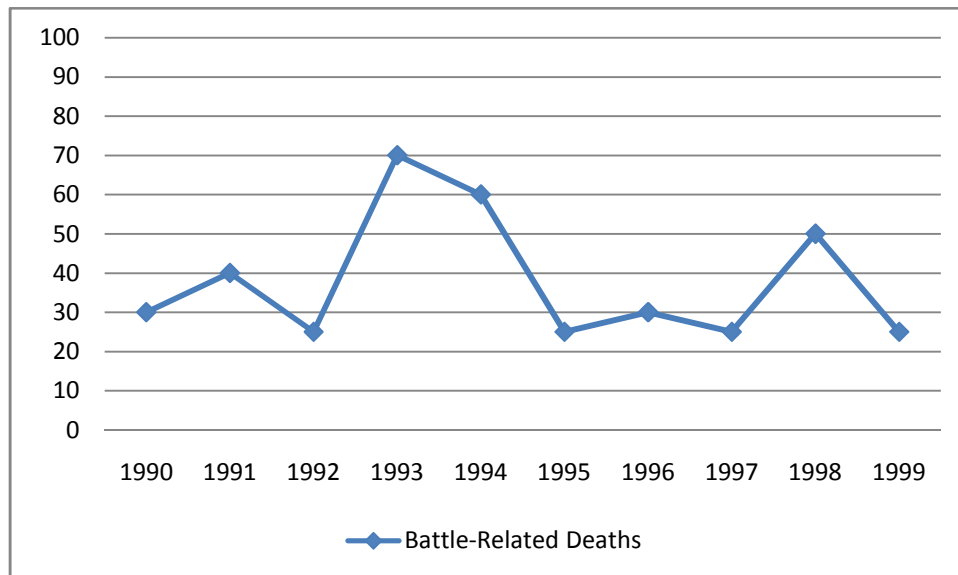
In the early 1990s the PLO had to cope both with the aftermath of having backed Iraq during the first Gulf War, and a new competitor - Hamas (Morris 2001). As the PLO started the negotiations with Israel that led up to the Oslo Accords, it renounced the use of violence and recognized Israel. As a response to this, i.e. in order to be relevant and an alternative to the PLO, Hamas shifted its strategy towards violence and rejected any kind of recognition of Israel (Mishal and Sela 2006). In doing so Hamas was careful not to alienate the Palestinian public, it abided by the PLOs wish that Hamas would not launch any attacks against Israel from the territory of the Palestinian Authority (PA) and it did not, as it had done during the intifada, carry out any attacks against other Palestinian fractions (Mishal and Sela 2006: Ch. 3). This deference to the PLO is also evidenced by Hamas, on Yasser Arafat's request, restraining all suicide attacks as the PLO was finalizing negotiations with Israel in the summer of 1995 (Pape 2003: 348). Hamas abided by this arrangement of not launching attacks from the PA more or less until 1998. After this it started to publicly challenge the PLO and Fatah. Perhaps the most important reason for this was the right shift the Israeli politics experienced with the election of Benjamin Netanyahu as Prime Minister, and the consequences this had for the peace process (Mishal and Sela 2006; Schindler 2008). When the second intifada broke out in 2000 Arafat's Fatah had been effectively sidelined and Hamas was more or less running the show (Mishal and Sela 2006).

3.6 HEZBOLLAH VS. ISRAEL

The Hezbollah program that marked the launch of the organization in 1985 reads: "Let us put it truthfully: the sons of Hezbollah know who are their major enemies in the Middle East – the Phalange, Israel, France and the U.S. The sons of our *umma* are now in a state of growing confrontation with them (...)" Later in the same program they say: "We see in Israel the vanguard of the United States in our Islamic World. It is the hated enemy that must be fought until the hated ones get what they deserve" (Rabinovich and Reinharz 2008: 425 - 427). Hezbollah was launched as a resistance movement against the Israeli occupation of Lebanon. Throughout the 1990s Israel and Hezbollah engaged in confrontations. Figure 3-2 shows battle deaths in the conflict between Israel and Hezbollah as reported by the Uppsala Conflict Data Program (Gleditsch, Wallensteen, Eriksson et al. 2002). What resembles a tit-for-tat game

developed between Israel and Hezbollah where both actors had an implicit understanding of what was and was not legitimate targets, and what constituted a legitimate response to a provocation.

Figure 3-2: Battle-Related deaths in the conflict between Israel and Hezbollah¹²



The objects of study in this thesis are, as stated above, incidents of escalation. Two such incidents occurred in 1992 and 1996 when Israel, both times under the military leadership of Chief of Staff Ehud Barak, launched, respectively, operations “Accountability” and “Grapes of Wrath”. Unfortunately none of these incidents are picked up by the graph above. In both instances the Israeli operations came after Hezbollah had rocketed northern Israeli towns, which Hezbollah in turn saw as retaliations for Israeli actions against Hezbollah forces (Harik 2004). Hezbollah enjoyed the sponsorship of both Iran and Syria and the organization could not have become as effective a fighting organization as it is today without the help of these two countries (El-Hokayem 2007). Initially Hezbollah was seen by both Syria and Iran as a means to achieve foreign policy goals, but because of the success Hezbollah has had in fighting Israel and the status this has brought the organization the relationship between Hezbollah and its patrons is no longer that simple. Iran and Syria are not in complete control of Hezbollah any longer (El-Hokayem 2007). As Hezbollah has grown more autonomous from Syria and Iran, it has also often found itself having goals different from that of the Lebanese government. Hezbollah, as a Shiite Muslim organization, has often found itself at odds with the Lebanese government and especially

¹² See: http://www.pcr.uu.se/gpdatabase/gpcountry.php?id=79®ionSelect=10-Middle_East#

the large Lebanese Christian population, a tension Israel has consistently tried to take advantage of (Harik 2004). Israel has sought to make the Lebanese government and parts of the population turn against Hezbollah, by making the cost for Hezbollah actions against Israel unbearable for the Lebanese population (Harik 2004). Though so far this strategy has been unfruitful, and Hezbollah still enjoys support among large segments of the Lebanese population, in addition to the respect it commands in many other Arab and Muslim countries.

There is an interesting contrast in the development in the Israeli relationship with its two most important non-state adversaries: The PLO, later Hamas, and Hezbollah. The relationship between Israel and the PLO has obviously had its ups and downs, but the trend has been one of increased mutual recognition and a desire for coexistence. The basics of this trend continued, as we will see below, under hard-line Likud cabinets as Benjamin Netanyahu's, and even today when the peace process is at a standstill both Israeli and Palestinian decision-makers recognize each other's right to exist, and acknowledge, albeit grudgingly, the need for a peace process. The relationship between Hezbollah and Israel, in contrast, was bad from the start and has consistently deteriorated. Hezbollah has never recognized Israel's right to exist, and Israel has never treated Hezbollah as anything more than an illegitimate terrorist organization. The nuance is that Israel has, at certain times, reluctantly treated Hezbollah's *actions* as legitimate wartime actions. The unwritten rules between Israel and Hezbollah, which Israel has broken whenever it saw fit¹³, stipulated that Israeli soldiers on Lebanese ground or in the Shabaa farms¹⁴ were legitimate targets for Hezbollah, and conversely that Hezbollah fighters were legitimate targets for Israel (ICG 2002; Sobelman 2004).

Israel has been willing to abide by these rules when the regional situation was stable and the conflict with the Palestinians was quiet, e.g. in the period between 1996 and 2000. This changed however when Sharon came to power in 2001. After this an increased polarization has taken place where the right-wing has dominated Israeli politics, at the same time as Hezbollah's support has increased in Lebanon. This comes in addition to the "palestinization" Hezbollah has gone

¹³ Examples include operations: "Accountability" and "Grapes of Wrath".

¹⁴ The Shabaa farms area is a small piece of Syrian land Israel occupied after the six-day war in 1967. A few months before the Israeli withdrawal in 2000 Lebanon and Hezbollah, supported by Syria, claimed that the land actually was Lebanese land and that Israel therefore had not completely withdrawn from Lebanese territory. Israel claims the land is Syrian, and the UN Security Council agrees with this interpretation and therefore confirmed in the summer of 2000 that Israel had made a complete withdrawal in compliance with Security Council resolutions (ICG 2002: 33).

through were the organization increasingly sees the struggle of the Palestinians with Israel as their own struggle. One important reason for the difference in these relationships I argue is foreign policy. Hezbollah is seen as an agent of Syria and Iran and as long as Israel's relationship with these two countries is contentious, Israel will have a contentious relationship with Hezbollah. The PLO, or Hamas, in contrast is not seen as being controlled by a rivaling state. In the next section I will take a short step back and look at the situation in Israel following the assassination of Yitzhak Rabin.

3.7 WINDS FROM THE RIGHT

In the tense days before the outbreak of the Six-day war in 1967 Yitzhak Rabin singlehandedly saved Israel from a military coup. By Ariel Sharon's own admittance he proposed to then Chief of Staff, the highest rank in the Israeli Defense Force, Rabin that they should simply lock up the cabinet in their meeting room and launch a pre-emptive strike against Egypt, Rabin managed to restrain Sharon (Segev 2007: 308). Rabin was part of the first generation of Israeli leaders who was born in Israel and grew up after Israel had gained its independence. He had had a remarkable military and political career, which ended about a year after he had received the Nobel Peace Prize in what the Haaretz newspaper called a ideological-religious assassination (Schindler 2008: 256). Following Rabin's assassination Benjamin Netanyahu was elected Prime Minister for the right-wing Likud party. Netanyahu had managed to unite Israel's fragmented right-wing parties, and eked out a narrow election win in 1996. His platform was basically a modernized form of Menachem Begin's. He opposed a Palestinian state, favored the idea of a greater Israel and was unwilling to grant the Palestinians anything more than local autonomy over four urban areas (Schindler 2008: 257). Netanyahu's narrow victory came as a surprise and disappointment to the inhabitants of Gaza and the West Bank, and also to the White House. Shimon Peres, Rabin's Foreign Minister and co-Nobel Laureate, had not managed to convince the Israeli public that he was Rabins natural successor. An increase in the number of suicide attacks after the Oslo accord had been signed convinced many Israeli's, in line with the argument that terrorist attacks increase the support of right-wing parties (Berrebi and Klor 2008), that the peace process was moving too fast (Schindler 2008).

Benjamin Netanyahu's premiership was short-lived. The Wye agreement, negotiated under Bill Clinton's auspices, stipulated the transfer of land from Israel to the Palestinian Authority. This was the first ever such concession by a Likud government, and it split Netanyahu's cabinet and led to a fracture between Likud and the National Religious Party (Schindler 2008: 272 - 274). Netanyahu also lost public support. His handling of the conflict with the Palestinians and the Wye Agreement led to a lack of confidence in Netanyahu's leadership abilities and in 1999 he called early elections in which he lost to Ehud Barak (Schindler 2008). Barak, a former Chief of Staff of the IDF who had been in charge of both operation "Accountability" in 1993 and "Grapes of Wrath" in 1996, hailed from the labor movement but put together a cabinet consisting of several right wing parties. He gave the Housing Ministry, which is in charge of the settlements, to the National Religious Party and this led to an unprecedented growth in settlements, to the disillusionment of the Israeli left (Schindler 2008: 274). The Camp David negotiations renewed the promise of a final peace agreement but in the end the negotiations, for a number of both Israeli and Palestinian reasons, failed.

This set the stage for yet another right shift and the second intifada. In September 2000 Ariel Sharon took advantage of the tense situation between Israelis and Palestinians and made his definitive comeback to Israeli politics. He made his now infamous walk on the temple mount. Sharon's tactical reason for this was to shore up support for the Likud party by showing the Israeli electorate that Likud would never agree to a partition of Jerusalem, which Barak had done during the Camp David negotiations. It also thoroughly provoked Palestinians and was a catalyst in igniting the second intifada (Schindler 2008: 281). A year later Sharon beat Barak in the general election, and became Prime Minister. The Camp David negotiations may have failed, but Ehud Barak did fulfill his campaign promise of a complete withdrawal from southern Lebanon. Barak had hoped to complete such a redeployment of troops within the framework of a peace agreement with Syria, this however proved impossible and the Barak cabinet gave the IDF orders of preparing for a complete withdrawal from Lebanon without any agreement (Morris 2001: 654). The IDF General Staff opposed a withdrawal without any agreement, but they were unable to convince Ehud Barak otherwise and in April 2000 Israel informed the UN that it would withdraw all forces from Lebanon by that summer.

3.8 THE EFFICIENCY OF TERROR AND COUNTER-TERRORISM

Hezbollah has one major advantage over Israel. For it to be successful the organization merely has to survive. What it takes for Israel to be successful on the other hand is unknown. In the overall war between Israel and Hezbollah or in any given campaign, the definition of an Israeli victory against an enemy that can be conceptualized both as a terrorist organization and as a social movement is unclear. When Israel has tried to define the objectives of victory, e.g. in the 2006 war, the objectives set were unachievable from a military point of view and so the government set the military up for failure from day one (Harel and Issacharoff 2008). Since its birth by fire in 1947 and 48 the Israeli Defense Force has been built to do maneuver warfare: to quickly take the fight deep into enemy territory. With the rise of what Edward Luttwak has called “post-heroic warfare”, characterized by the importance of avoiding casualties to your own troops and to enemy civilians (Luttwak 1995), a very different operational doctrine has developed. Exemplified by the first Gulf War this new doctrine is based not on maneuvering, but on massive use of air strikes and artillery. Israel along with every other western country adopted this new operational doctrine and according to one expert: “The low number of casualties in this brand of fighting, the hi-tech style of war, and the ability to rely on Israel’s technological advantage all promoted this combat approach” (Kulick 2006). This new doctrine was put to a test by the IDF against Hezbollah in the 1993 operation “Accountability”, and took the organization by surprise. Hezbollah had prepared for a ground campaign, but instead the war was fought mostly in the air and from the Israeli side of the border, i.e. out of reach for the Hezbollah fighters (Kulick 2006). Although Israel did not force Hezbollah to capitulate, the organization was soundly defeated and for a brief moment Israel held the upper hand. The fact that this military success came shortly after the first Intifada had ended increased Israel’s feeling of victory, even though the IDF was incapable of completely suppressing Hezbollah’s ability to launch Katyusha rockets. The next encounter came in operation “Grapes of Wrath” in 1996. By now Hezbollah had adapted to Israel’s new fighting doctrine, and relied much more heavily on Katyusha rockets that could not be taken out by Israeli air power. Israel sent in limited ground troops only after it became clear that they were unable to suppress the Hezbollah rockets fire. The IDF thus played directly into Hezbollah’s hand and fought exactly the kind of war Hezbollah had prepared for since operation “Accountability” (Kulick 2006).

Since then Israel has withdrawn from southern Lebanon thereby giving Hezbollah the opportunity to build military infrastructure just across the Israeli border, and at the same time they have been unable to infiltrate the Hezbollah organization in the same way they have done with the Palestinian militias. This brief military history implies that the years of Israeli relative strength vis a vis Hezbollah was the years between 1993 and 96. In this period the conflict with the Palestinians was contained and a certain deterrence power was in place following operation “Accountability”. In the period between 1996 and 2006 however the situation was reversed. Operation “Grapes of Wrath” did not enhance but rather undermined Israeli deterrence power. The IDF failed to wage an operationally successful campaign against Hezbollah, thus enabling Hezbollah to increase both its support in Lebanon and its clout in the wider Arab and Muslim world. That Israel in this period failed to secure a peace agreement with Syria or with the Palestinians further weakened the Israel and strengthened Hezbollah’s position. The failed 2003 occupation of Iraq by Israel’s most important ally, the U.S, further exacerbated the situation. All in all after 1993 Israel has seen its deterrence power weakened by Hezbollah, and when attempts has been made to restore it, as in operation Grapes of Wrath, it has failed to do so. This is due to Israel’s inability to wage effective war against Hezbollah, and by the fact that Israel at present has no other leverage over Hezbollah than the threat to use military force. I.e. if Israel’s goal is to stop Hezbollah from firing katyusha rockets or attacking its troops, it has no other card to play than the military. Since the military card has proven ineffective after Hezbollah adapted to Israel’s new fighting doctrine it is only rational to expect Hezbollah to continue to challenge Israel, and this gives Hezbollah the upper hand

This concludes this brief overview of the history and context of conflict between Israel and Hezbollah. This chapter ends with the final Israeli withdrawal from Lebanon and the next chapter will start my analysis of the steps to war, or to be more precise, my analysis of the causes explaining why the July 2006 confrontation was followed by a process of escalation, while the almost identical confrontation in October of 2000 was not. The next chapter will be fully devoted to the systemic sphere, and I will concentrate especially on the relationship between Israel and Iran.

4 THE THIRD IMAGE – IRAN AND ISRAEL

Hypothesis1: Given a conflict, latent or manifest, between two parties, the risk of one of the parties escalating the crisis depends on the adversary's alliance with a third party.

4.1 INTRODUCTION

Israel's position in the Middle East is precarious. Although Israel now has stable peace agreements and diplomatic relations with Jordan and Egypt, most of the country's immediate and more distant neighbors do not recognize Israel. This necessitates a very powerful international dimension in Israeli politics, and Israeli strategic thinking. When Israeli decision-makers arrive at decisions which in other countries would be completely internal, Israel invariably considers the broader regional context. I argue therefore that in order to understand Israel's decision to take or not to take action against Hezbollah, one must analyze Israel's broader strategic environment. This includes, but is not limited to, its relationship with neighboring countries like Syria and Jordan, its alliances with the U.S. and Turkey and relations to what Israel terms the periphery: e.g. India and Pakistan. In this chapter I will focus on the relationship between Israel and Iran. I argue that this relationship is Israel's most important strategic challenge, and that understanding this relationship takes us a long way towards understanding Israel's actions against Hezbollah.

Today Israel and Iran are cardinal foes. Before the 1979 Iranian revolution, Iran and Israel were, in the words of Yitzhak Rabin, best friends. Since 1979 the relationship between Israel and Iran has been antagonistic, but it has fluctuated and experienced both improvements and deteriorations throughout the period. In the period under consideration here, Iran and Israel have been contenders for power and influence in the region, and today, after the fall of Saddam's Iraq, these two countries stand alone as regional great powers. The primary hypothesis, stated at the start of this chapter, deals with unstable three way relationships, as the one between Israel, Iran and Hezbollah. Based on this hypothesis I will argue that fluctuations in relative power between Israel and Iran explain an important part of the puzzle of why the 2006 Lebanon War experienced a much more dramatic escalatory process than the 2000 crisis between Israel and Hezbollah. In the following I will start by explaining the rationale behind my primary hypothesis. Then I will deduce six indicators that define the scope of the primary hypothesis and extends its logic. Based on these six intervening indicators I will deduce testable predictions which will then be tested

against the data. This method of testing deduced predictions will not, of course, offer conclusive evidence for the theory. The tests should instead be seen as a plausibility test (see George and Bennett 2005: 75; Gerring 2006: 41 - 42)¹⁵. My aim is to establish the plausibility of the theory I am testing, or more precisely to establish the plausibility of the X/Y relationship I am proposing in this chapter between Iran's rise in power and Israel's decision to escalate the conflict with Hezbollah. All in all I find considerable evidence supporting my theory.

4.2 ON THE HYPOTHESIS

The primary hypothesis (v.s.) is deduced from the theoretical framework, and the mechanism 'competition' described under sub-heading 2.5.4 explains how it operates. As discussed in the theoretical chapter, the logic behind the hypothesis flows from states' ability to threaten each other. The hypothesis states that in a conflict between two parties, A and B, the risk of escalation increases if either A or B is aligned with a third party, C, which in turn is an adversary to the other party. Thus if A and B is in a conflict, the risk of this conflict escalating increases if B is aligned with C which is also an adversary to A. In concrete terms the hypothesis reads that the risk of escalation in the conflict between Israel and Hezbollah increases when Hezbollah is aligned with Iran, with which Israel has an adversarial relationship. This proposition of course only holds under certain scope conditions¹⁶. The primary hypothesis is mediated by two intervening indicators which define the scope of the primary hypothesis. The first intervening indicator concerns the shifts in the balance of power, while the second one concerns the absolute levels of power. Power is in this understood as military power. In Mearsheimers (2001: 55) words: "The balance of power, therefore, is a function of tangible assets – such as armored divisions and nuclear weapons – (...)." This clearly is a very limited understanding of power, and it obviously is but one of many different ways to view it.¹⁷ Despite its limitations I believe it is fruitful for my analysis. The issue of shifts in the balance of power relates to what Mearsheimer sees as one of the primary factors in explaining international relations systemic outcomes: states' ability to threaten each other, an ability that of course varies (Mearsheimer 2001: 43).

¹⁵ See Gortzak (2005) for an application of a plausibility probe.

¹⁶ On scope condition see e.g. (Munck 2004)

¹⁷ For an overview and discussion, as well as extension, of different views on power see e.g. Barnett and Duvall (2005).

Indicator 1.1: Scope Condition – For the primary hypothesis to hold true one of the states must have experienced an increase in relative power.

Shifts in the balance of power increase the risk of escalation in two situations. State A's fear of another state will grow if state B increases its power so that it could become a potential threat in the near future. State A's fear of state B will also grow if state B already has the same power capabilities as A but grows faster than A either by making technological jumps or by outperforming A in terms of growth in military spending¹⁸. In a three way relationship, as the one described in the primary hypothesis, state A will be more likely to escalate its conflict with state B if state B, or state B's ally C, increases its power. The logic is that a reasonable stable, albeit contentious, relationship between three parties, can become unstable if the status quo power-relationship shifts. In such a situation state A, or B or C, is forced to alter its status quo ante strategic thinking and this can lead the party to respond in a more forceful way than the same state would have done prior to the power shift. This can be either to offset a gain in power, or to thwart an increase in power. In concrete terms I expect that the risk of Israel escalating a confrontation with Hezbollah increases in situations where Hezbollah's ally and sponsor Iran has increased its relative power vis-à-vis Israel, on the margins. It is important to note that this hypothesis only holds when the increase is marginal. If Iran were to increase its power dramatically this might induce Israel to not escalate, as I have already discussed.

Indicator 1.2: Scope Condition – For the primary hypothesis to hold true the states must be actual contenders for power in the region.

This indicator mediates the effect of both the primary hypothesis and the one just discussed. In a three way relationship where A and B is in conflict, A and C have an adversarial relationship, and B and C are closely allied the absolute levels of power will be important. If the difference in power between A and C is so big that C is not a contender for A in any meaningful way, C's relationship to B will not be of any importance. If the opposite is true, however, and A is not a contender for C in any meaningful way, C's relationship to B in conflict with A would have important effects on A's behavior towards B. In both situations a mechanism is at work that very probably will lead to a stable and peaceful situation. Either A does not have to fear C and thus do not have to damage B to increase its security, or C is so superior to A that A could not consider

¹⁸ Higher growth in military spending is of course, in the long run, determined by broader economic factors. States thus also watch such factors.

attacking B of fear of retaliation. Both these situations are only theoretical in this study. A third possibility is one where A and C have, more or less, the same power capabilities. In such situations a competition, and a security dilemma, is very likely¹⁹. This brings us back to the primary hypothesis which describes a three way relationship characterized by a conflict between A and B, an adversarial relationship between A and C and an alliance between C and B. Such a relationship is made unstable, because of competition, if the balance of power between the parties is more or less balanced. In concrete terms this intervening indicator states that the risk of the conflict between Israel and Hezbollah escalating increases if Hezbollah is aligned with another state that is both an adversary and a competitor to Israel, as Iran is.

Indicator 1.3: Israel will fight Hezbollah in order to strengthen its strategic position in relation to Iran.

Relationships characterized by a state facing a, perceived or real, proxy state or entity of another hostile state increases the risk of escalation by inducing leaders in that state to fight the proxy to weaken the sponsor state. The logic here is that Israel will be tempted to escalate a Hezbollah provocation because this gives them the opportunity to weaken Iran by destroying or hurting an instrument of Iranian foreign policy. If Hezbollah was viewed as an independent organization, with no ties to other adversarial states, Israeli leaders would not view the conflict as part of a wider regional conflict over power and influence and thus would be more likely to tolerate more from Hezbollah before risking a costly war. The relative cost of war is, however, decreased if by fighting Hezbollah Israel can in the process weaken Iran and thereby lowering the risk of a future even costlier war or attack on Iran. The fact that Hezbollah is an organization and not a state further increases the risk of escalation according to same logic. This is so because the cost is much lower for attacking a terrorist organization than for attacking another UN member state. Israel received widespread support for its attack on Hezbollah at the beginning of the 2006 war, support which even extended to Arab states (Harel and Issacharoff 2008). There is of course nothing new about the proxy war logic underlying this indicator and historical examples abound. To mention just one prominent example the Spanish civil war was used by both the Soviet Union and Nazi-Germany to test new weapons and technologies against each others (Beevor 2007).

¹⁹ This logic is strengthened by states inclination to think in terms of relative instead of absolute gains. See e.g: Powell (1994: 334-38) for a review. Powell argues that the degree to which states care about relative gains depends on their strategic environment.

Indicator 1.4: Israel will escalate the conflict with Hezbollah in order to show muscles and increase its ability to deter Iran.

A second effect such relationships have is that they induce aggressive behavior against the proxy to intimidate the sponsor state. This increases the risk that Israel will exploit windows of opportunity, opened by Hezbollah activities, to reassert or strengthen its ability to deter Iran, and thereby strengthening its own position in relation to Iran. To coin it differently, the potential benefit Israel can reap by fighting a war against an Iranian ally, is higher than the benefits it can reap by fighting “just” a terrorist organization. In relation to the benefits then, the chance that the cost of fighting is deemed to be acceptable, becomes higher and thus the risk for escalation grows. The argument is that if Hezbollah was not aligned with Iran, the benefit for Israel of fighting the organization would be lower, and hence it would tolerate more provocations. When Hezbollah is aligned with Iran, fighting Hezbollah can yield potentially higher benefits since a defeat for Hezbollah would also be a defeat for Iran. Now it could also raise the costs so the interesting question is if it raises the benefits more than the costs. I will argue that it does. This in turn induces Israel to take advantage of windows opened by Hezbollah aggression. Let me give another historical example. Consider for a moment a counterfactual situation where the Vietcong had not been aligned with the Soviet Union. Besides helping an ally, France, the potential benefits for the U.S in fighting Vietcong would under such circumstances be much lower than the potential benefits of fighting a Vietcong aligned with the Soviet Union. This proposition, that states only fight wars where the costs outweigh the benefits, is in itself, of course, banal. The point here is however not to argue a banal proposition, but to identify intervening phenomena, or scope conditions, under which my primary hypothesis holds true.

Indicator 1.5: Commitment problems – Because Israel can never be sure who controls Hezbollah, Israel will not negotiate and compromise with the organization.

Fearon (1995: 401) argues, when listing the possible reasons for why rational leaders would chose to go to a costly war, that commitments problems, that inhibits leaders to: “settle on an efficient bargained outcome when for structural reason they cannot trust each other to uphold the deal” may lead to war²⁰. I argue that relationships as the one between Israel, Iran and Hezbollah will exacerbate such issues because Israel can never be completely certain of whom is “running the show”. If Israel negotiates with Hezbollah it cannot be certain that Hezbollah will uphold the

²⁰ See also Powell (2006).

agreement. This is usual, but it can be even less certain about this than in normal relations between countries because Israel does not know how much influence Iran holds over Hezbollah and to what extent Iran is able to push Hezbollah to go to a war that it does not want. This adds even more uncertainty to Israel's leaders, and this uncertainty is likely, I argue, to increase the benefits Israel sees from an attack on Hezbollah. This because an act of escalation on Israel's part will force both Hezbollah and Iran to show their hand and has the added effect of presenting a window for Israel whereby it can remove an adversary whose moves and actions it is almost impossible for Israel to predict. Since a move against Hezbollah forces both Hezbollah and Iran to show their hand, a move against Hezbollah is also part of Israel's regional competition with Iran and therefore this hypothesis is connected with the two above.

Indicator 1.6: Issue Indivisibility – The zero-sum nature of the conflict makes it much harder to negotiate and compromise.

Some conflicts may resemble zero-sum conflicts, and zero-sum conflicts I argue are more prone to escalation. Conflicts that have an existential dimension, that revolve e.g. around values instead of issues, is an example of such zero-sum conflicts (Nicholson 1992). The logic is that if the issue at dispute is indivisible, Fearon use the examples of the issue of abortions (Fearon 1995), it is more or less impossible for rational agents to arrive at a compromise solution that satisfies both agents. If in our three way relationship A and C hold completely contradictory positions, then a conflict between A and B where B is closely aligned with C may take on the same dimension. If the foreign policy goal is the destruction of another state, as Iran under Ahmedinejad (Yoong 2006)²¹ has called for, then a conflict between Israel and Iran's ally Hezbollah will be perceived as a necessary war and this may increase the risk of escalation. Zero-sum games of this nature may increase the risk of "overreaction and miscalculation" (Waltz 2008: 62). This mechanism may be at work at the international level, but it may also be highly active at the domestic level (Fearon 1995: 382).

4.3 PREDICTIONS

Two predictions can be deduced directly from my primary hypothesis. That escalation will be more common in situations where state A is in a conflict with a state or entity closely aligned

²¹ I want to be very clear here. There is not much evidence that Ahmedinejad has called for the destruction of Israel as a nation, he has however repeatedly called for the destruction of Israel as a Zionist entity.

with another adversarial state. And second, that states in such situations should be more eager than other states to escalate confrontations. It is difficult, however, to test these particular predictions directly since this would require a much larger data collection effort than what is feasible here. I will instead deduce predictions from each of the intervening indicators. This manner of testing a theory is of course weaker than directly testing the primary hypothesis, but taken together these tests will give us a good enough picture of the strength or weakness of the theory (Van Evera 1997, 1999)²². I deduce two predictions and one scope condition that has to be met in order for the primary hypothesis to be relevant.

Scope Condition:

1. Based on intervening hypothesis 1.1 and 1.2 one can deduce the prediction that Iran was a competitor state to Israel in the period under consideration here, and that Iran increased its power, in relation to Israel, in the time between 2000 and 2006

Predications:

2. Based on intervening hypothesis 1.3 and 1.4 one can deduce the prediction that discussion about Iran and Iranian influence has figured heavily in the decision to escalate the conflict with Hezbollah in 2006, such discussion will be absent from the 2000 discussion. I.e. when making strategic decision about what to do with Hezbollah, Israel also made decisions about how to maneuver in relation to Iran.
3. Based on intervening hypothesis 1.5 and 1.6 one can deduce the prediction that Israeli leaders were reluctant to compromises with Hezbollah of fear that the organization would not stick to its promises.

4.4 TESTING THE HYPOTHESIS:

4.4.1 ABSOLUTE AND RELATIVE LEVELS OF POWER

Iran before the 1979 Islamic revolution led by Ayatollah Khomeini was one of Israel's few reliable allies in the Middle East. As late as 1987 Yitzhak Rabin said that: "Iran is Israel's best

²² In this chapter and the following analytical chapters the manner in which I structure and perform the empirical tests is "borrowed" from Stephan van Evera (1997, 1999).

friend and we do not intend to change our position in relation to Tehran, because Khomeini's regime will not last forever" (Parsi 2007: 127). This position, however, changed as it became increasingly clear that Khomeini's reign would not end any time soon. The first question to answer then is whether or not Iran and Israel can be seen as competitors in the Middle East. For there to be an actual competitive relationship between the two, they need to, as prediction one states, be on the same level in terms of absolute power. This implies that the two states need to belong, in a broad sense, to the same class of powers. As I will argue in the following, this prediction correlates very well with the data. Clearly the Israeli military is technologically much more sophisticated than Iran's. Iran's military consists, by and large, of a patchwork of dated U.S military equipment from before the revolution and acquisitions from Russia and other countries (Raas and Long 2007). Nevertheless Iran's military capabilities are large enough for it to pose a threat to Israel, and for it to be a contender for power and influence in the region. Iran's order of battle consists of more than half a million troops, or 32 divisions, Israel in comparison can field 16 divisions. The Israeli air force consists of about 500 combat aircrafts, while Iran has a little over 200, all of considerably older stock (Shapir 2009a, 2009b). The number of ground forces has been fairly stable in the period from 1996 to 2006, while the number of combat aircrafts has increased for both parties. Throughout the period Israel has spent around 8 % of GDP on defense, while Iran's defense spending has fluctuated between 2 and 5 % of GDP. In real terms Israel spent between 8 and 11 billions dollars (constant 2006 USD) on defense, while Iran spent between 2 and 8 billion dollars²³.

It is obvious, from this brief review of assorted numbers, that the Israeli military is better equipped and more technologically advanced than the Iranian. But the numbers also reveal that Iran can field enough troops to be a regional contender for power, and in real terms the defense spending of the two countries is close enough for them to be considered competitors. This view is supported by Trita Parsi (2007: 209) who argues that: "the greatest danger Iran posed to Israel after 1996 was its ability to emerge as a regional player that could challenge Tel Aviv's military and nuclear monopoly and limit the Jewish state's military and political maneuverability". This situation covers the period up until 2002, a period where Israel downgraded Iran from enemy to threat (Parsi 2007). Cordesman (2005) corroborates this and argues that Iran is the only regional

²³ Information from the Stockholm International Peace Research Institute (SIPRI), URL: http://www.sipri.org/contents/milap/milex/mex_database1.html

power, except for Israel, that poses a conventional military threat to gulf stability. In 2002, however, Iranian dissidents exposed Iran's until then secret nuclear sites (Raas and Long 2007). At that point Iran became the gravest strategic threat to Israel, and if Iran does acquire a nuclear weapon it would become the first hostile country to be able to strike Israel in an utterly critical and devastating way (Kam 2007). Berman (2004) correspondingly argues that Iran has dramatically increased its military capabilities after 2003. In addition to the nuclear program, he points to the development and testing of the Shahab-3 missile which, with a range of 1300 km, gives Iran the capability to target Israel. In addition to this the 2003 U.S invasion of Iraq eliminated Iran's number one enemy and contender for power in the region, thereby considerably improving Iran's strategic environment. This data supports prediction 1. Iran was a contender for power and influence in the region both in 2000 and 2006, but between 2000 and 2006 Iran dramatically increased its ability to threaten Israel. There is considerable discussion about whether or not Iran's motivation for developing a nuclear program was to be able to threaten Israel, but that discussion is not consequential here. The reason is simply that regardless of Iran's intent, Israel feels threatened and thus behaves as if Iran was threatening the country for real.

4.4.2 IRAN AND HEZBOLLAH V. ISRAEL

I have predicted that discussion about Iran and Iranian influence figured heavily during the crisis and escalation in 2006, while such discussion were absent in 2000. Testing this prediction confronts me with a few obstacles I want to address before I proceed. Firstly, it is difficult to prove a counterfactual, i.e. it is difficult to prove, in the sense of finding a smoking gun, that no discussion about Iran and Iranian influence took place during the 2000 crisis. Since the absence of something is much harder to observe than the presence of the same thing, my findings with regards to this prediction will necessarily be less robust than other findings. Secondly, since I do not read Hebrew I have not been able to read the full report of the Winograd Commission, as every other non-Hebrew researcher I have only been able to read the official English summary of key findings²⁴. This means that I have been cut off from an extremely valuable source, but much of the information from the report I have been able to get from other sources.

²⁴ See: http://www.cfr.org/publication/15385/winograd_commission_final_report.html

One way to analyze the importance of Iran and Iranian influence in 2000 and 2006 is to see how national security experts in Israel assessed the relationship between Israel and Iran in this period. Although Iran never completely disappeared from the radar, it is quite clear if you look at publications like the ‘Strategic Assessment’ published by the Institute for National Strategic Studies in Tel Aviv that discussion about Iran from a strategic point of view increased dramatically following 2003. In a 1999 article by Stuart Cohen (1999) entitled: “Israel’s Three Strategic Challenges” Iran is mentioned only in passing and then always lumped together with other countries, as when Cohen at the beginning of the article argues that one challenge is to “cope with enemies like Syria and Iran”. Shlomo Ben-Ami, who was the Israeli Minister for Public Security and Minister of Foreign Affairs in the period 1999 to 2002, significantly strengthens my argument that Iran was not an important national security concern in 2000 when he is quoted as saying: “Iran wasn’t really on the agenda (...) In those two years, I think the agenda zeroed in on these particular questions, the Palestinians and the Syrians. I don’t remember one cabinet meeting – the reduced cabinet meeting, the so-called defense-foreign policy cabinet – where Iran was an issue” (Parsi 2007:215). In an interview with me Ben-Ami repeated this, and said that the top national security priorities for Israel in 2000 were making peace with the Palestinians and brokering a deal with Syria over the Golan Heights. He went on to say that Iran was “less of a consideration” (Ben-Ami 2009).

When Hezbollah kidnapped three and killed four Israeli soldiers in 2000 Israel’s focus was not on Iran, but on Syria. Israel under Ehud Barak had tried since 1999 to reach a final peace-agreement with Syria, and Israel’s unilateral withdrawal from Southern-Lebanon in May of 2000 was a part of this process (Schindler 2008: 275 - 277). Then Prime-Minister Ehud Barak had initiated a “Syria First” policy that entailed that making peace with Syria was the country’s primary national security priority. Barak’s Foreign Minister Shlomo Ben-Ami argues that Barak felt that “Syria, and not the Palestinian problem, was the main strategic challenge that needed to be neutralized. [Barak] perceived the threats to Israel in term of armored brigades, infantry divisions and missile batteries” (Ben-Ami 2006: 242). When Israel assessed its national security environment in 2000, therefore, Syria and not Iran was at the top of the agenda. The link between Iran and Hezbollah was perceived as less important than Syria’s link with the organization (Ben-Ami 2009). After the Hezbollah kidnappings the Israeli deputy Minister of Defense, Ephraim Sneh, told the Jerusalem Post that he believed Iran was pushing Hezbollah to carry out attacks, but Sneh

nevertheless argued that Israel would hold Syria responsible for any Hezbollah actions: “[Israel should] make it clear that the responsibility lies with Syria... If we have to cease [hostile activities], it will have to be done in the context, should we say, of Syria being the address. We are not making threats. This is a warning” (Rudge 2000).

The interesting part of this argument is that top Israeli decision-makers clearly were aware that Iran was pulling Hezbollah’s strings, but they still choose to hold Syria accountable for Hezbollah actions. If Israel had been concerned about Hezbollah’s links with Iran in 2000 one would expect the warning Sneh makes to be addressed at Iran and not at Syria. The reason the relationship between Syria and Hezbollah in 2000 does not induce Israel to retaliate in the same fashion as the relationship between Iran and Hezbollah in 2006, ties back to my earlier discussion about absolute and relative levels of power. Although the structure of the conflict between Israel – Hezbollah – Syria is the same as the structure of the Israel – Hezbollah – Iran relationship, the important difference lays in Syria’s ability to threaten Israel. Syria in 2000 did not possess anything near the conventional or ballistic capability of Iran in 2006 (Cordesman 2001), and Shlomo Ben-Ami argues that the Israeli military establishment firmly believed they could deter and if necessary repel any Syrian attack (Ben-Ami 2006). In the period after 2000 Syria has fallen even farther behind Israel in military terms (Cordesman 2008).

In 2006 the situation was very different. At this point Iran was viewed as a pre-eminent strategic threat, and Israel had grown increasingly concerned that Hezbollah was in fact Iran’s “western command” (Cordesman 2007: 9). In his assessment on the lessons of the 2006 Lebanon War Anthony Cordesman (2007: 9 - 10) argues that one of the primary goals of the war was to strike a devastating blow at Hezbollah in order to: “prevent the emergence of a major missile and rocket threat that Iran could use to launch chemical, biological, radiological and nuclear weapons”. Corroborating this view Schiff (2006) argues that the Israeli defense establishment considered Hezbollah to be a frontal command of the Iranian Revolutionary Guard. Although Israel had been concerned about Iranian activities from the mid 1990s²⁵, the threat of Iran was amplified after 2002. In early 2006 Efraim Inbar, head of the Begin-Sadat Center for Strategic Studies, argued that Iran as a state: “is characterized by far-reaching goals in its foreign policy, a propensity for

²⁵ This is according to Emily Landau at the Israeli Institute for National Security Studies (INSS). Telephone interview conducted 12/02/09.

high risk policies, intensive commitment and determination to implement these policies, and unconventional diplomatic style” (Inbar 2006: 88). Evidence of the concern about Iran is also found in commentaries immediately after the war. The newspaper Haaretz writes that in: “the conflict between Israel and Iran, by means of its proxy, Hezbollah, neither side achieved its strategic aim” (Avraham 2006). Israel has also taken, as reported by Haaretz, the unprecedented action of adding an extra command to its force structure. In addition to the northern, southern and central command which makes up the pillars of the Israeli Defense Force, a fourth command that is to address “countries which do not border Israel - in other words, [a] general in command of the Iran front” has been established (Benn 2006).

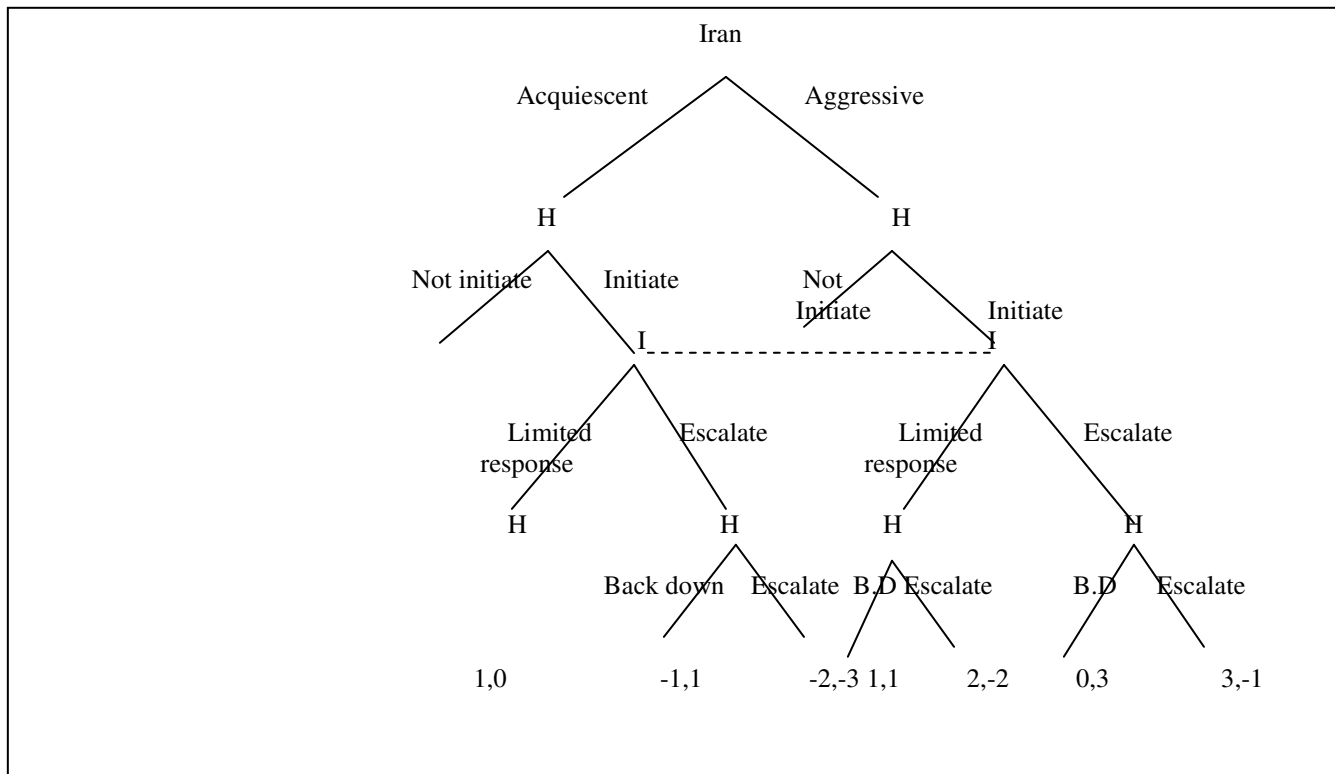
To sum up, what I am arguing is that somewhere between 2000 and 2006 Israel started to perceive Iran as a pre-eminent national security threat. Israel has observed Iranian activity with increasing anxiousness since the 1979 revolution, and at some point in the mid 1990s Israel for the first time perceived Iran to be a clear and present national security threat, and a regional competitor for power. Until around 2002, however, Iran was seen as one among many potential threats. I am not able to give it an exact date but somewhere between 1999 when Ehud Barak rejected the idea that Iran was an enemy, and 2003 when Israel diplomats tried, unsuccessfully, to convince the U.S that it was Iran and not Iraq which constituted the biggest threat and therefore should be attacked (Parsi 2007: 218 and 239) Iran took center stage when Israel assessed its strategic environment. This data then supports prediction 2. The data shows that discussions about Iran and Iranian influence were very important in 2006, and almost absent in 2000. In other words it confirms the prediction that when making strategic decision about what to do with Hezbollah, Israel also made decisions about how to maneuver in relation to Iran.

4.4.3 COMMITMENT AND COMPROMISE

A very puzzling feature about the 2006 Lebanon War is the total and complete absence of direct communication between the parties after the war broke out. In the 34 days the war lasted, Israel or Hezbollah never directly negotiated for a cease-fire or end of hostilities, and the eventual cease-fire was instead the product of a U.N Security Council resolution (Harel and Issacharoff 2008). In the 2008 – 09 conflict in Gaza again there was no direct communication between Israel and Hamas, but in contrast to 2006 this time cease-fire negotiations took place between Israel and the Palestinian Authority in Egypt. One could argue that Israel and Hezbollah simply are unable

to negotiate because of their diametrically opposed positions, or simply because they do not recognize each other. The problem with such an argument is that direct negotiations, concerning e.g. prisoner and hostage swaps, and indirect negotiations in the form of extensive signaling games between Israel and Hezbollah with regards to rules of behavior in the conflict between them had taken place frequently in the past (see e.g: Sobelman 2004). We now know that Hezbollah was taken by surprise by Israel's forceful response to their actions, and we know that Israeli leaders realized, some time into the war, that they were unable to meet the objectives set for the war (Harel and Issacharoff 2008). The question then is: why did they not negotiate? The crucial actors in this chapter are not Israel and Hezbollah, but rather Iran and Israel and the focus is on the strategic interaction between these two actors.

Figure 4-1: Dynamic Game with Incomplete Information



Note: The first move of the game belongs to Iran. In this move Iran chooses which strategic type Hezbollah will be in the following sequence of moves. The choice is between an aggressive or a acquiescent type. Hezbollah is aware of Iran's choice, while Israel is not.

The Harsanyi maneuver in game theory is a trick used to be able to model games with incomplete information. The trick involves letting the game start with a move by a player we call Nature. In this moves Nature chooses, from a given probability distribution, which type the players are

(McCarthy and Meirowitz 2007: 204). Nature chooses whether player A is, e.g, of an aggressive or acquiescent type, and player B does not know what Nature has chosen when she makes her move. One way to understand the logic behind Israel's refusal to communicate with Hezbollah, during the escalation process and the war is to substitute Iran for Nature. It is clear, as I have shown above, that Israeli leaders considers Iran to be the master behind Hezbollah, and some even go as far as calling Hezbollah Iran's western command (Cordesman 2007). It is not unlikely therefore that Israel should believe that it is Iran that ultimately decides how Hezbollah acts²⁶, or in other words that it is Iran that decides which strategic type Hezbollah is. The link that makes this relevant in the regional competition between Israel and Iran is that Israel may believe that by forcing Hezbollah to reveal what type it is, they will also force Iran to reveal their intentions, which feeds into the issue of regional competition discussed in this chapter.

Figure 4-1 shows how this logic can be modeled and explained. The game starts with a move by Iran which chooses what type Hezbollah should be, the left hand side of the game tree shows an acquiescent type while the right shows an aggressive type. This move mimics Iran's, real or merely perceived, control over Hezbollah as understood by Israeli leaders. In Hezbollah's (denoted H) first move the organization must chose between initiating or not initiating a confrontation. The next move is Israel's, and the dotted line between Israel's two first nodes means that Israel does not know which of the two nodes it is at. If Hezbollah is of the aggressive type Israel is at the right-hand node, and if Hezbollah is acquiescent Israel is at the left-hand one. Israel now has to decide if it wants to continue the tit-for-tat game and respond with limited retaliations, or if it wants to escalate. If Israel escalates Hezbollah is forced to show its hand, and Israel therefore always chooses to escalate in this game. Hezbollah is forced to show its hand if Israel escalates, which becomes clear in the next move. If Hezbollah is of the acquiescent type it will choose to back down after Israel escalates, yielding a pay off of -1 and not the -2 Hezbollah gets if it escalates. If Hezbollah, on the other hand, is of the aggressive type it chooses to escalate further, yielding a pay off of 3.

By escalating then Israel forces Hezbollah to show its hand or more precisely it forces Hezbollah to reveal its type, and obviously it will have national security implications for Israel what

²⁶ We now know that Iran was actually opposed to Hezbollah's action but they were not consulted. It seems clear that Iran would have stopped Hezbollah if they had been asked in advance (Schiff 2006). Israeli leaders seem, however, to have believed the opposite during the war.

strategic type Hezbollah is. The goal for Israel in this game is however not to discover Hezbollah's strategic type, but Iran's. Given the close link between Iran and Hezbollah Israeli leaders will, as I have argued above, believe they have learned something about Iran when they learn something about Hezbollah. Since Israel needs to force Hezbollah and Iran to show their hand, Israel will, given the intervening hypothesis mentioned above, escalate. This happens because of Israel's basic uncertainty in Hezbollah's ability to compromise, an uncertainty caused by the relationship between Iran and Hezbollah. This data then supports prediction 3.

4.5 CONCLUSION

I have argued, implicitly, in this chapter that the 2000 confrontation between Israel and Hezbollah would have escalated had the above factors been changed, and furthermore that the risk of escalation in 2006 would have been significantly lower had the situation in 2006 more resembled the one in 2000. This chapter has dealt with the international context surrounding the conflict between Israel and Hezbollah. I have argued that the strong relationship between Iran and Hezbollah, with Iran as founder, arms supplier, and ideological guide, gives the direct conflict between the Israel and Hezbollah an international dimension. It should be stressed, however, that even if the relationship between Iran and Hezbollah had not been as strong as it is, any confrontation in the Middle East involving Israel will have an international dimension. In this chapter I have argued that three dimensions together explain why the Israel-Hezbollah conflict from time to time experience sudden escalatory processes. These are the international aspects, and in the next two chapters other factors will be brought in to complement these. The three aspects I have looked at have been power, in absolute and relative – shifting – terms, Israel's concern for Iranian influence in general, and Israel's concern for Iranian influence over Hezbollah. I started by stating a hypothesis deduced from the mechanism laid out in the theoretical chapter, and then deduced several intervening hypothesis and predictions from these. The predictions are meant to indirectly test my theory. Two of the predictions was put to an empirical test, while the last one was tested using game theory that may explain the logic behind Israel's refusal to communicate with Hezbollah and thus tests the third prediction.

I consider the test for the first prediction to be very strong, the test for the second to be somewhat weaker but still satisfying while the test for the third prediction is logically coherent and explains,

in my view, Israel's behavior and therefore constitutes a satisfying test. All in all I consider the theory as having passed the tests, meaning that I argue I have established the plausibility of the theory. The theory which relies on a mechanism of competition is able to explain, by looking at the international aspects, why Israel chose to not to escalate after the Hezbollah provocations in 2000 but did so in 2006. The theory therefore is both empirically sound and politically interesting. This international dimension is however only one of three dimension, and in the next chapter I will address the internal Israeli dimension.

5 THE SECOND IMAGE – ISRAEL

Hypothesis 2: Given a conflict between two or more actors, the risk of escalation is greater if the government of one of the actors is faced by rivalry for the office of government, and this government in turn is both vulnerable and subject to severe criticism by other rivals for this office.

5.1 INTRODUCTION

In On War Clausewitz writes: "the only source of war is politics – the intercourse of governments and peoples (...) war cannot be divorced from political life; and whenever this occurs in our thinking about war, the many links that connect the two elements are destroyed and we are left with something pointless and devoid of sense" (Clausewitz 1976: 605). This chapter addresses directly what Clausewitz terms the intercourse of governments and peoples in explaining escalation of the conflict between Israel and Hezbollah. Israeli politics is extremely interesting and almost equally complex and chaotic. Israeli cabinets most of the time consist of as many as six or seven parties and many of these control less than a handful of seats in the Knesset. The average life of an Israeli cabinet is, invariably, short. Parties come and go, and politicians defect from and join other parties all the time. In addition to an animated parliamentary sphere, Israel also has a vibrant civil society consisting of almost any possible grouping ranging from ultra-orthodox Jews who oppose the state of Israel on religious terms, to equally liberal Tel Avivians. The Israeli Defense Force also plays an important role in Israeli politics, and Israel is probably one of the few, maybe even the only, democracy where the Chief of Staff of the armed forces attends the meetings of the Cabinet (Cohen 2008).

The primary aim of this chapter is to show that these internal dynamics matter in explaining international political outcomes as the 2006 war. It is of course impossible, and undesirable, to focus on every possible domestic aspect, and the focus in this chapter will be on two internal actors in addition to the government: the Knesset and the Israeli public. I will study how these two actors, both undeniably very broad and general, shape foreign policy and influence the outcome we here seek to explain. All the time though I will stay within the rationalist framework which makes it possible to integrate the findings here, with the findings from the previous and the next chapter. I will in the following argue that to understand why Ehud Olmert escalated the conflict with Hezbollah into a war in 2006, while Ehud Barak refrained from doing so; one has to

look at the actions taken by the Knesset, and the actions taken by the government in relations to the broader public. In short I find strong evidence for the importance of the Knesset in escalating a crisis, and for the effect audience cost. I start this chapter with a brief review of the literature on integrating domestic and international relations, focusing first on realist theory but then looking at liberalism. I end that section with a discussion of the strategic-choice approach adopted for my study here. I then discuss this chapter's primary hypothesis, the indicators deduced from this and their predictions, before I test the predictions. I find strong evidence for two of the three indicators.

In this chapter I have neither discussed the second Palestinian Intifada that had started when Hezbollah conducted its kidnapping in October of 2000, nor have I discussed the Hamas kidnapping that led to the Israeli operation on the Gaza strip at the time of 2006 Hezbollah kidnappings. One could of course argue that these two events are important for understanding the governments subsequent decisions vis-à-vis Hezbollah. I however believe that these two events, the 2000 Intifada and the 2006 operation in Gaza, should have the same effect on the government. In both cases one would expect reluctance from the government to open a second front, a reluctance to broaden the conflict and a reluctance to risk even more Israeli lives as well as international support. The Israeli governments was, furthermore, criticized sharply for their handling both of the Intifada and the Gaza operation. The events clearly are not identical, and the 2000 intifada most probably occupied more of the public's, media's and the cabinet's attention then the 2006 Hamas kidnappings. In both cases however the government was under sever pressure to settle the dispute, and restore order or insure the release of the captured solder. Because of this I argue that if I where to include these factors into the study I would in effect have introduced an independent variable that does not vary, and non-variance cannot explain the variance in the dependent variable. The reasons for the different reactions of the Olmert and Barak governments must be found, therefore, elsewhere.

5.2 BRINGING DOMESTIC POLITICS BACK IN – A LITERATURE REVIEW

This thesis seeks to integrate domestic and international factors into a coherent explanation of why the conflict between Israel and Hezbollah escalates. In doing this I encounter the issue of levels of analysis. J. David Singer argued in his seminal article that although different insights

could be found by focusing on different level of analysis, one should never mix levels in the same study. In his words: “We may utilize one level [of analysis] here and another level there, but we cannot afford to shift our orientation in the midst of a study” (Singer 1961: 90). In this literature review I will briefly consider a portion of the arguments made about levels of analysis, and about integrating domestic and international factors into one explanation. I will start by looking at the issue of levels of analysis, and then address the empirical issue of whether or not domestic politics matter. After this I will review the literature on how one can integrate domestic politics into a study that seeks to explain an international politics outcome.

A central tenet of neorealism, which provided the cornerstone of the last chapter, has been the view that one should not mix levels of analysis and that theories of international politics that focus on the inside of the states are reductionist. Reductionism is understood to mean an approach where the whole can be understood by studying the attributes of the different parts (Waltz 1979: 18). The literature on the democratic peace provides as example. This body of work explains the lack of war between liberal democracies by pointing not at systemic factors like the balance of power, but by looking at the inside of the component parts, the states, and at their political regimes (Doyle 1986; Russett 1993). A systemic theory, in contrast, is in Waltz’ words, an “explanation of why different units behave similarly and, despite their variation, produce outcomes that fall within expected range” (Waltz 1979: 72). The caveat raised by Waltz and Singer is however not that one should not study all levels of analysis, but that when doing this one must be careful to differentiate between *mixing* and *relating*. Waltz writes: “In other words, understanding the likely consequence of any cause may depend on understanding its relation to other causes. The possible interrelation of causes makes the problem of estimating the merit of various prescriptions more difficult still” (2001: 14). Singer in turn argues that the real effort must be made at contributing to a cumulative growth in science, and in his words this precluded mixing levels of analysis because: “Representing different levels of analysis couched in different frames of reference, they [propositions drawn from different levels] would defy theoretical integration; one may be a corollary of the other but they are not immediately combinable” (Singer 1961: 91). The real issue then is that one should abstain from mixing levels of analysis into a framework were it becomes impossible to discern how the different factor interact to cause and outcome. This, however, does not preclude relating different levels of analysis to one another to create a coherent explanation.

The next question then is if domestic politics matter for explaining international political outcomes. Take as an example the 1967 Six Day War. Systemic factors, like the balance of power, and issues of first-mover advantage, clearly were important in accounting for this war but, as historian Tom Segev has showed, if one really wants to explain why the war came when it came you have to look at internal Israeli dynamics. Segev shows how the general mood in the country, and the vulnerability and weakness of the Levi Eshkol cabinet is absolutely crucial for understanding why the war came (Segev 2007). Other examples can be found in Kevin Narizny's recent book. He argues that the shift in American grand strategy towards the periphery can be traced not to systemic but to internal factors, more precisely to the interest and preference of key societal groups. In his words: "In the first decades following the Civil War, few Americans were involved with peripheral markets (...) Consequently the impulse to expand was weak. Not until the end of the century, when exports surged and the debt declined, was there a change in course" (Narizny 2007:302). This brief example testifies to the importance of domestic politics in explaining a foreign politics outcome such as an interstate war. Now I will move on and look at the literature addressing how to integrate domestic and international politics.

Waltz argues that his theory of international politics is not a theory of foreign policy. He argues that neorealist balance-of-power theory: "makes assumptions about the interest and motives of states, rather than explaining them. What it does explain are the constraints that confine all states. The clear perception of constraints provides many clues to the expected reactions of states, but by itself the theory cannot explain those reactions" (Waltz 1979: 121). Other realists have argued, however, that neorealist theory can also be a theory foreign policy. Colin Elman argues that if structural international relations theory explains tendencies, then the actions taken by some states make up these tendencies (Elman 1996). While Telhami argues that it is possible to infer proposition on expected state behavior from structural realism because state's foreign policy decisions are based on their opportunities, and the opportunities state's have are in turn determined by the balance-of-power (Telhami 2002). The most systematic analysis of neorealism and domestic politics is carried out by Fearon (1998) who presents a template for distinguishing between systemic and domestic-politics theories. Fearon distinguishes between two types of neorealism. The first picture states as unitary actors, and a corresponding domestic-politics theory would thus be any theory where: "at least one state is presented as non-unitary, and at least one such state pursues a suboptimal foreign policy due, somehow, to the interaction of the actors

represented within the state” (Fearon 1998: 298 - 299). Examples of such a theories would be classical rational deterrence theories on the systemic side, and the recent book by Mearsheimer and Walt (2007) on the Israel lobby and U.S foreign policy on the domestic-politics side. Mearsheimer and Walt’s central argument is that the U.S pursues foreign policies that are not in its national interest, because of the influence of what they call the Israel Lobby in shaping U.S foreign policy. Fearon’s second type of structuralist theory also portrays states as unitary, but this type also excludes any role for unit level attributes. A corresponding domestic-politics theory would thus by any theory where at least one state is not unitary, and where the unit-level attributes, like political regime, is included to explain variation in state’s foreign policy (Fearon 1998: 300). Examples of this second type would include theories on the democratic peace on the domestic politics side, and Waltzian neorealism on the structuralist side.

Fearon argues that the first type of structuralist theories, which assume unitary actors but do not exclude arguments about unit-level attributes, in many ways accomplishes the task of integrating domestic and international politics. They do this by allowing “states to vary in unit-level characteristics (...) At the same time [as] such models incorporate these [unit-level characteristics] into a strategic or systemic analysis in which relative power can also matter” (1998: 304). This consistent reliance of levels of analysis does not any longer, however, represent the frontiers of international relations scholarship (Gourevitch 2002). In his review Gourevitch presents a number of different ways to model the interaction of domestic and international politics that does not rely on a strict adherence to levels of analysis. Gourevitch argues instead that one should start by looking at preferences held by actors, and institutions that aggregate these preferences into outcomes like foreign policy (2002: 310 - 12). Gourevitch’ centerpiece is his call to avoid “the reappearance of unitary actor assumptions” (2002: 322), which he sees as the great culprit in international relations theory.

The risk with this call, however, is that we end up with a framework that clearly does not make the mistake of “flattening the role of domestic politics” (Gourevitch 2002: 309), but which completely disregard the systemic level, and the effects of this level on *all* states regardless on national attributes. After all Fearon is quite right when he notes that the “surprise should not be that domestic-political factors are important in determining states’ foreign policies, but rather that highly constrained (...) systemic arguments have any explanatory purchase at all” (1998: 301).

What is needed therefore is a framework that makes it possible to keep the crucial insight of balance-of-power theory, but which also leave room for domestic political factors. One such approach I believe is the strategic-choice approach of Lake and Powell (1999)²⁷. This approach is made possible by borrowing insight from comparative politics and other subfields that have built on the same rationalist foundation, which in turns makes it possible to relax the assumption that the state is a unitary actor, and this essence brings domestic politics back in (Milner 1998). By adopting Moravcsiks (1997) two-stage model, in which the preferences of domestic actors are aggregated in the first stage, and in the second stage the different states interact and vie for power, we can keep both the domestic and international level. Keep in mind though that in the second stage balance-of-power arguments informs my study. Balance-of-power arguments rests on the assumptions that the global distribution of *power* is central in explaining systemic outcomes, in contrast to Moravcsik's liberalism which sees the distribution of *preferences* as the key explanatory variable.

The strategic-choice approach builds on three principal components (Lake and Powell 1999: 4): (1) the unit of analysis is not the actor, e.g. a state, but rather the *interaction* of two or more actors. (2) The approach distinguishes between actors and their environments, actors are defined by beliefs and preferences, while the environment is disaggregated into actions taken by actors and available information. (3) Strategic-choice approach is agnostic and pragmatic as to which level of analysis is appropriate. Since the approach distinguishes between actors and their environments it is possible to conduct an array of “experiments”. The approach makes it possible to vary the properties – beliefs and preferences – of the actors while holding the environments constant, or hold these properties constant and vary the environment (Lake and Powell 1999: 13). In the last chapter I held the properties of the actors' constant, and varied the environment. I saw how the interaction changed as the balance of power changed. In this chapter I will hold the environment constant, and vary the attributes of one of the actors: Israel.

5.3 ON THE HYPOTHESIS

This chapter's primary hypothesis is deduced from the two mechanisms audience cost and sharing responsibility discussed in the theoretical chapter. The logic is that governments which

²⁷ Gourevitch (2002) also notes the fruitfulness of this approach.

do not have to consider the actions of other domestic actors will be less prone to give in to public or legislative pressure to respond to a provocation. This argument could on the surface look like it implies that the government does not want to respond to a provocation, clearly a problematic assumption. I argue that the hypothesis does not necessarily imply an assumption of the preference to respond or not to respond to a provocation. The core preference of any cabinet, I assume, is to stay in power (Milner 1997 also argues this). To say that to stay in power is the core preference of the cabinet does not mean that it is the government's²⁸ only preference. In addition cabinets most likely have a range of substantial preferences for specific policies etc that they would like to enact. My argument here does not rest on the preference to staying in power to overshadow the other preferences, it does not even need to be the number one priority, but it needs to be one of the cabinets most important preferences. The ability to stay in power will be severely weakened if that cabinet fails to provide its citizens with security, which is the primary purpose of any government. Provocations, in turn, represent a threat to this security. A government confronted by a provocation will need to forcefully show that it still has the ability to provide security. The preference in questions then is not one of desire or not desire to respond to a provocation, clearly a long list of factors determine this, but rather the desire to stay in office shapes the preference structure in such a way that governments that have to engage in strategic interaction with other domestic actor are more likely to forcefully respond to provocations.

In general terms I have postulated that governments which have to engage strategically with other domestic actors, are more likely to respond forcefully to a provocation and thus escalate a crisis than other governments. If in a conflict between A and B, A is a state where the government face rivalry for power, which means that it is dependent on the legislature and / or the electorate for its survival, these two internal players may push the government to respond to a provocation in a more forceful way than it initially wanted to. This does not, however, need to be explicit pressure. Recall that the strategic-choice approach focuses on the interaction, and differentiates between the actors and the environment of the actors. The environment is in turn made up of information and actions taken by other actors. This means that actions taken by the government in question provides the other actors with information that in turn alters the strategic interaction. If, on the other hand, in a conflict between A and B, both A and B were completely unitary

²⁸ I will use government and cabinet interchangeably in this chapter.

actors, which did not need to consider other domestic actors, the interaction of A and B with their societies would be irrelevant to the international political outcome I here seek to explain. Built into my hypothesis is an interaction term. I have hypothesized that the *combination* of a government which is engaged in competition for power and which is vulnerable and subject to severe criticism creates an *interaction effect* which increases the risk of escalation. In concrete terms I hypothesize that the 2006 Olmert government was both vulnerable at the time of the Hezbollah kidnappings and put under severe criticism after the abduction, and that this created a situation that increased the risk of escalation. Furthermore I hypothesize that no such combination took place during the 2000 Hezbollah kidnappings. This is a very broad hypothesis however, so in the following I will deduce several indicators aimed at tapping into what exactly I expect would be different in 2006 compared to 2000 for this hypothesis to be true. Each of the following indicators therefore is designed to tap into different parts of the primary hypothesis, and one would expect several of them to hold true if the primary model is to have any explanatory power.

Indicator 5.1: The Israeli government in power in 2000 was more stable and stronger than the government of 2006.

In a conflict between two actors, A and B, where the leadership of at least one of the actors is elected by democratic popular elections, the degree to which that leadership feels that they enjoy the backing of the electorate will influence the risk of escalation. This because the primary aim of the leadership is to stay in power, and only the electorate can ensure this. If the leadership of either A or B does not enjoy the backing of the electorate, they will both be more prone to foreign policy adventurism, and be more prone to yield to pressure from the parliament to severely retaliate against a provocation (Kuperman 2003). This effect will be exacerbated in situations with coalition governments, since in coalition governments the cost of a failed escalation is divided between the members (Prins and Sprecher 1999). A central part of the primary hypothesis is the issue of vulnerable governments, and this indicator taps into that part of the model. It is connected with the dependent variable in this study, escalation, through its part in the primary model. The logic is that given a latent conflict, where at least one actor has a democratic regime, this actor will be able to ignore a provocation if it enjoys the trust of the electorate that ultimately decides its political future. In situations where the government is weak, however, it will have to forcefully retaliate in order to survive. This indicator can be seen to argue the same point as the

literature on diversionary politics, which has argued that weak leaders are more likely to initiate conflict. They do this to divert attention from the e.g. economic problems (Lai and Reiter 2005)²⁹. This is however not my argument. I argue that politically weak governments will yield to domestic pressure and escalate a crisis, pressure a stronger government might have been able to withstand. I expect therefore that in 2006 the Israeli government was weaker, and less stable than the government in 2000, and that the 2006 government was seen as lacking in national security competence.

Indicator 5.2: Audience Cost: Olmert caught in his own rhetoric.

If all actors in a conflict had complete information on each other's preference structure, and these actors were rational, no wars would occur (Fearon 1994). Complete information is however very rare in international relations, and rational wars then occur because the different actors do not know how far the other is willing to go, and how much he is willing to risk to gain what he is after (Fearon 1994, 1995). Actors engaged in an escalatory process may of course choose to concede and back down, but Fearon argues that actors at some point will suffer an audience cost if he escalates far enough and then backs down. Crises are always "to some extent public events, carried on before interested domestic and international political spectators. For example, making a "show of force" and then failing to carry through if one's demands are not met is typically more costly for a leader than not having mobilized (...) because foreign and domestic audiences may interpret this as a 'foreign policy failure'" (Fearon 1992: 39). Hans Morgenthau also alluded to this when he argued for the importance of not conducting diplomatic negotiations in public: "Public opinion, while dreading war, demands that its diplomats act as heroes who do not yield in the face of the enemy, even at the risk of war, and condemns as weaklings and traitors those who yield" (Morgenthau 2006: 553). This audience cost mechanism has the potential of locking leaders into a path to war, because of the cost inferred from backing down after a they reach a certain point (Fearon 1994). Given a conflict, therefore, between A and B, the possibility of escalation leading to war is greater in situations where either A or B engages in a "show of force" that would lead to a significant audience cost if the same actor were to back down. A show of force may include either the actual deployment of force, e.g. the Egyptian deployment of several

²⁹ These authors argue however that the diversionary politics proposition is flawed and that politically vulnerable leaders are less likely to initiate crises.

divisions on the border with Israel in the crisis leading to the 1967 War (see e.g: Oren 2002: 63), or verbal, e.g. President Bush's ultimatum to Saddam Hussein before the 1991 Gulf War.

This indicator is tied to escalation by the way it taps into the issue of competition. If a government is engaged in rivalry for power then the ultimate referee to that competition, in this case the electorate, should be included in the study. Here then the issue of rivalry for power is studied through the effect it has by creating audience costs that in turn increases the risk of escalation. I expect the indicator to be present in 2006 and absent in 2000. I argue that the audience cost mechanism is especially important in the case of Israeli foreign policy. The importance of being able to provide security is relatively more important for Israeli leaders than the leaders of many other countries. Not because security is not a number one priority for most governments, but because the Israeli public, rightly or wrongly, consider itself to be facing a number of enemies, and the government's ability to deal with these enemies will inevitably be of supreme importance for the public. I expect therefore that the 2006 Olmert government, after Hezbollah had made its move, engaged in a considerable show of force that would have led to a severe audience cost had it backed down. In 2000 in contrast I expect that the Barak government did not engage in a show of force comparable to 2006.

To grind it a little further, let me briefly consider the issue of framing. If B provokes A, which is an electoral democracy, the risk of escalation will be much higher if A's leadership immediately after the attack frames the provocations as a severe national security issue. If A instead chooses to frame it simply as another step a normal tit-for-tat game, the risk of escalation will be much lower. Framing may clearly be both an independent and a dependent variable. I could just as well have focused on what causes this or that framing, but for this study framing will be seen as an independent variable, which influences the risk of escalation. I expect therefore that the 2000 Barak government tried to downplay the significance of the October Hezbollah attacks, while the 2006 Olmert government instead choose to exacerbate the significance of the attack.

Indicator 5.3: Pressure and criticism from the Knesset increased the risk of escalation.

As noted in chapter two, Milner finds in her study of trade negotiations that the legislature only plays a decisive role if it is relatively more hawkish than the cabinet (Milner 1997). I theorized however that in matters of war and peace the legislature can play an important part both by being

more hawkish and more dovish, since I expect executives to want to share responsibility for matters as important as putting the country on a path to war. Given a conflict, therefore, between A and B, I expect that the risk of escalation will increase in situations where the legislature exerts pressure on the cabinet to escalate the crisis, and decrease when the legislature calls for moderation. The importance of this part is that it explicitly breaks the unitary actor assumption of structural theories, and gives another domestic actors, in this case the legislature, and explicit place in foreign policy formulation and therefore also in the outcome of international politics. This indicator is tied to the dependent variable by measuring the part of the model that deals with the issue of vulnerability and criticism. Concretely I expect that the Israeli Knesset in 2006 openly supported the Olmert government's decision to escalate in the days before the start of the 2006 Lebanon war, and pushed for harsh retaliations. I am concentrating on Knesset activity before the start of the war, since it is very unusual for a legislature to severely criticize the government during a war. I furthermore expect that in 2000 the Knesset did not openly push for harsher retaliations against Hezbollah. When I refer to Knesset activity in this I mean, simply, that important opposition members of the Knesset publicly voiced their positions, or directly tried to convince cabinet members that they should change their position.

5.4 PREDICTIONS

From the primary hypothesis one can deduce the prediction that escalation is more likely in situations where a government that has to compete for political office is vulnerable and under severe criticism from the opposition or other groups in the society. As in the last chapter, however, it is not feasible to test that prediction, so I have deduced predictions from the indicators and test the primary hypothesis and the theory through these. As I noted in the last chapter this manner of testing a theory is of course weaker than directly testing the primary hypothesis, but taken together these tests will give us a satisfactory picture of the strength or weakness of the theory (Van Evera 1997, 1999).

1. Based on indicator 5.1 I deduce the prediction that the Barak government enjoyed a higher approval rating during the time of the October 2000 Hezbollah attacks, than the Olmert government enjoyed at the time of the July 2006 attacks. Also I

predict that the Barak government was seen as more competent in the area of national security than the 2006 Olmert government.

2. Based on indicator 5.2 I deduce the prediction that the Olmert government made a much greater show of force in 2006, than the Barak government did in 2000. I also deduce the prediction that the public statements of the Olmert government after the 2006 Hezbollah attacks, framed the provocation in much harsher language than the Barak government did after the 2000 attacks.
3. Based on indicator 5.3 I deduce the prediction that the opposition in the Israeli Knesset in 2006 was much more vocal in condemning the Hezbollah attacks and pushing for harsh retaliations than the opposition was in 2000.

5.5 TESTING THE PREDICTIONS

5.5.1 OPINIONS POLL AND APPROVAL RATINGS

In 1999 Ehud Barak was elected Prime Minister by a virtual landslide. He won 56 % of the votes, and his party³⁰ took 20 % compared to 14 % for the closest competitor Likud (Hazan and Diskin 2000). This was a substantial majority by Israeli standards. Barak was elected with the hope from the left and the peace movement that he would finalize a peace agreement with the Palestinians, and he promised during the campaign to unilaterally withdraw from Southern Lebanon (Schindler 2008). When he came into office, then, Barak enjoyed widespread support in addition to having the trust and confidence of the military as a former Chief of Staff. Since it is difficult to make a convincing argument about a former Chief of Staff's inability to handle national security, Barak had the benefit of having his back free on such issues. Barak's popularity nevertheless quickly diminished. As early as February of 2000 Haaretz published an article in which the journalist writes: "The weekend's newspaper polls exposed a near fatal blow to public faith in Ehud Barak" (Aluf 2000)³¹. In the same newspaper on the 15th of September, just a few weeks before the October 7 Hezbollah kidnappings, a commentator writes: "Now, as he enters the 14th month of his first term of office, Barak is losing valuable points in the trust department. His zig-zags or continuous fluctuations are gradually leading people to wonder if what he is doing can be called a

³⁰ Ehud Barak belonged to the Labour party but had set up a new party for the 1999 elections called "One Israel" in order to appeal to centrist voters.

³¹ I have tried to locate the actual polls to get the numbers, but to no avail.

program, or just another political ploy” (Yoel 2000b), the same commentator writes two months later that “Barak has already lost 60 percent of his voters” (Yoel 2000a). The weakening of the government was not only commented on by the pundits, it was also felt by members of the government. The Foreign Minister Shlomo Ben-Ami quotes his diary: “I am troubled (...). The government is falling apart, and I wonder during this tense flight who it is exactly that we are representing” (Ben-Ami 2006: 281). Ehud Barak was, according to Ben-Ami, obsessed with opinion polls and had polls conducted on a wide variety of issues, these polls, furthermore, had a big impact on his decision-making (Ben-Ami 2009).

Interestingly the Olmert administration had a very similar trajectory. In the March 2006 elections when Olmert³² was at the top of the ticket Kadima got 22 % of the votes, compared to 15 % for the closest competitor Labour-Meimad (Diskin and Hazan 2007). The election result was widely interpreted as a firm victory for Olmert and his policies. The Olmert government, nevertheless, quickly came under fire. Months before the war the government was criticized for not having enough weight on security issue. Neither the Prime Minister nor the Minister of Defense had substantial military experience. The usual situation in Israel is rather that key personnel in the government have spent extensive time in the military, as e.g. Yitzhak Rabin, Ehud Barak and Ariel Sharon who had all been generals. The hardest criticism was directed at Amir Peretz, the Minister of Defense. He had hoped to get the finance portfolio, and was seen as a lightweight in the defense minister’s chair from day one. In an interview with Haaretz in June of 2006 he expressed his belief that the Prime Minister was trying to undermine him: “the move by Prime Minister Ehud Olmert and his finance minister, Abraham Hirschson, was supposed to send Peretz a message: We have an alternative coalition” (Verter 2006). One week after having taken office following the popular Ariel Sharon’s heart attack in January of 2006, Olmert got an approval rating of 71 % according to a Jerusalem post poll (Jerusalem-Post 2006). Half a year later, in early June of 2006, that approval had dropped to 36 % in a Haaretz poll³³ in spite of the fact that Prime ministers usually enjoy wide public support in the early stages of their term (Verter, Benn, and Khoury 2006). The Minister of Defense feared even worse and got a 31 % approval rating in

³² At this point Ariel Sharon who was supposed to top the ticket had entered the coma he is still in.

³³ Obviously these polls are not directly comparable, but every poll I looked at showed the same trend so I feel confident claiming that the Olmert government lost popularity quickly.

the same poll. The government also quickly came under criticism for failing to reduce the number of rockets hitting the Israeli town of Sderot (Verter 2006).

I predicted that the Barak government would enjoy a higher approval rating, as well as being seen as more competent in security affairs. As far as security affairs are concerned I believe I can argue that the Barak government was indeed seen as more competent than the Olmert government. As for the first and most important part of my prediction, however, the data offers no support for it what so ever. Both the Barak government and the Olmert government were weak and unstable at the time of the Hezbollah attacks. The Barak government had a low approval rating, and the governing coalition was falling apart. The Olmert government also had to cope with low public approval, as well as internal competition and strife. You cannot test a theory based on only two observations, but clearly this evidence is very interesting. It can be seen to corroborate the diversionary politics theory which argues that weak leaders are more likely to initiate conflict that may divert attention from internal problems and bolster approval. I am however reluctant to draw the conclusion that these finding strengthen that theory. Not because I have an argument against it, but because by design I have variation in the dependent variable, but no variation in the independent variable. I.e. if I wanted to test the diversionary politics theory, I would need additional observations where you have the risk of conflict as well as a strong and stable government, and then see if such a situation would have a different trajectory. What can be said however is that for the Israeli case it looks like the strength and stability of the government is not a decisive factor in explain escalation of international crises. Weak governments may or may not choose to escalate, yielding the interesting conclusion that a weak government in parliamentary system seems to enjoy quite a lot of autonomy from public opinion in making foreign policy decision.

What makes this observation even more interesting is the fact that the Barak government pledged to the Israeli public before they withdrew from Southern Lebanon in the summer of 2000, that they would not tolerate any Hezbollah provocations (Ben-Ami 2009). The Barak government thus broke this pledge by not responding more forcefully to the kidnappings, and this happened just months after the withdrawal so the pledge would surely still be remembered by the public. That a weak government with a Prime Minister obsessed with his public approval and polling was able to make such a decision is, to say the least, very interesting. It does, however, highlight

the importance of the interaction term in the primary model. This term was included to be able to study the interaction of rivalry with vulnerability and criticism. If the interaction of these factors were irrelevant one would have expected the measurement of this indicator to be much closer to the prediction. Since it is not I can conclude that the measurement of this indicator supports the primary model, and it shows how the different parts of the term mediates the effect of competition, on the one hand, and vulnerability and criticism on the other hand.

5.5.2 CRY HAVOC, AND LET SLIP THE DOGS OF WAR

I have predicted that by making a show of force the Olmert government through the mechanism of audience cost would be pushed to escalate the confrontation with Hezbollah. The Barak government in turn did not make a show of force and thus did not incur an audience cost. I found no evidence of my last prediction, but on the issue of audience cost there was a substantial difference between the governments of Olmert and Barak. I predicted that the Olmert government would frame the Hezbollah provocation as a much greater security challenge than the Barak administration. Differences in framing is especially interesting given the fact that the two Hezbollah provocations were almost identical in scope and achievements, so one could expect different governments to treat them in roughly the same way. In the summer of 2000, as I have already mentioned, the Barak government made a pledge that no Hezbollah provocations would be tolerated. This was a vital part of the Barak governments “deal” with the Israeli public following the withdrawal from southern Lebanon. Ehud Barak did, of course, not take lightly on the Hezbollah provocation of October 7th. In a speech to the Knesset four days after the attack he said that he held Hezbollah, Syria and Lebanon responsible for the safety of the three IDF soldiers, and that Hezbollah should grant the Red Cross or the United Nations access to the soldiers as soon as possible (Alon 2000). In this speech Barak focused however not on Hezbollah, but on the threat posed by the Palestinian Authority’s recent release of several Hamas and Islamic Jihad prisoners. The day after the attack Barak also focused on the responsibility of Hezbollah of the well-being of the soldiers, and promised that Israel would retaliate (Harel, Gal, and Benn 2000). All in all, though, it is difficult to consider this as any thing but very restrained rhetoric from an Israeli Prime Minister. Barak never went further than to state that Israel preserved the right to retaliate at a place and time they saw fit (Harel and Issacharoff 2008: 39 - 41). Instead of escalating Barak seems to be trying to shift attention to the threat posed by Palestinian

organization. Importantly he does not give any ultimatums that would increase a possible future audience cost.

The 2006 Olmert government behaved in a startlingly different manner. From the work of the Winograd commission we now know that Olmert himself thought that Israel was in danger of loosing its ability to deter, and that Israel's resolve was being tested by Hezbollah (quoted in: Merom 2008: 10). Olmert also communicated this to the public. In a speech to the Israeli Knesset on the 17th of July, five days after the Hezbollah attack, he made it clear that he would not tolerate the Hezbollah actions, and that the organization would pay a steep price for their provocation. Olmert said³⁴: "There are moments in the life of a nation, when it is compelled to look directly into the face of reality and say: no more! (...) When missiles are launched at our residents and cities, our answer will be war with all the strength, determination, valor, sacrifice and dedication that characterize this nation". While Barak's statements in 2000 seems to have tried to calm things down, Olmert's speech sounds very much like the speech of a general rallying his troops. After having made such a speech it would be difficult for any leader to back down and settle for limited retaliations or a purely negotiated settlement. Such an action would have greatly undermined the credibility of the leader, and would probably also leave the leader looking like a fool. Michael Tomz (2007) argues that audience cost arise because citizens care about the reputation of their country, and that they especially disapprove of empty threats. Clearly you cannot give a speech like the one Olmert gave and then not be thought of as making empty threats if you opt for a negotiated settlement.

So far I have concentrated only on verbal threats to the use of force, but audience cost may also be incurred by actual shows of force. In the case of the Barak government no such show of force was put on. Barak talked about retaliations but never went further, as mentioned above, than to state that Israel preserved the right to retaliate at a place and time they saw fit. The government of Ehud Olmert acted differently. Following the Hezbollah kidnappings the Olmert government discussed a number of retaliatory options, but they never, as far as available evidence shows, discussed *not* retaliating. In the end they decided that Israel's first response would be an attack on Hezbollah's Fadjr rockets (Harel and Issacharoff 2008: 86). The Fadjr rockets are by far

³⁴ Speech by Ehud Olmert to the Knesset 17/07/06. Transcript found on the website of the office of the Prime Minister: <http://www.pmo.gov.il/PMOEng/Archive/Speeches/2006/07/speechknesset170706.html>

Hezbollah's most lethal rockets, they are reasonably accurate and have a range of between 43 and 75 km (Rubin 2007). This might not seem like a drastic step, but Harel and Issacharoff argue that of the possible operations the government and military considered, the option they landed on, which the military estimated could cost as many as 400 Lebanese civilian deaths, was "the harshest possible operation" (2008: 79). Hezbollah responded to this attack by launching a large amount of Katyusha rockets at Israel, and this led to the eventual Israeli ground invasion of Southern Lebanon since, as the Israeli Air Force had made clear, they were not capable of destroying the much smaller Katyusha rockets from the air (Harel and Issacharoff 2008; Rubin 2007).

I find ample evidence for prediction 2. Although Ehud Barak had pledged to the Israeli electorate that no Hezbollah provocations would be tolerated, he opted to not retaliate against Hezbollah after the October 2000 kidnapping. He did not make a show of force verbally or by actual military power, and therefore he never incurred an audience cost. The 2006 Olmert government behaved differently. Following the attack Olmert, as well as other senior member of the cabinet, made public declarations that clearly amounted to a show of force that would have made the government look almost ridiculous if they had decided to ignore the provocation as Barak did. The Olmert government could have opted for limited retaliations, but they chose instead to respond in what has been characterized as the harshest possible way. This response from Olmert led to, as the IDF predicted, prolonged Katyusha rocket attacks from Hezbollah, and in light of Olmert's public declarations and his initial harsh response he had locked himself into a trajectory that meant that he had to escalate even further. This in turn led to the Israeli ground invasion. It is perfectly plausible that the 2006 war had ended with limited Israeli retaliations had Olmert been more cautious in his public remarks, and the cabinet had opted for milder retaliations. All in all this provides strong and satisfactory evidence for prediction 2.

5.5.3 ENTER: KNESSET

Although the last section on audience cost implicitly introduced another actor, public opinion, into an international politics outcome, this section does so explicitly. This section looks at the direct effect of the legislature, in my case the Israeli Knesset, on an international politics outcome. Some work has been done on the role of the legislatures in trade negotiations, and these find that the legislature have an impact only if it is more hawkish than the cabinet (Milner 1997).

Very few studies, however, have looked directly at the role of legislatures in the process leading to a war. Ranan Kuperman in one such study finds evidence supporting his hypothesis that “discontent expressed by individual Knesset members have a significant impact” (Kuperman 2003: 684) on the risk of Israeli retaliations. In the following I will show that Knesset members voiced very harsh critique of the Olmert government following the Hezbollah kidnappings on July 12th 2006, and that no comparable level of critique was fielded at Ehud Barak’s government in 2000. For the 2000 case I once again have to find the absence of something. This, I want to stress, always leaves open the possibility that the fact that I have not found X, does not mean X is not to be found anywhere. I might simply have overlooked it, or looked in the wrong place. I have, however, searched extensively in the archives of both the Jerusalem Post and Haaretz, as well as the Keesings World News Archive³⁵. I have also read the memoir of the then Foreign Minister Shlomo Ben-Ami and conducted an interview with him (Ben-Ami 2006, 2009). Ben-Ami told me that the government was criticized for not responding to the Hezbollah provocations (Ben-Ami 2009), but this criticism does not seem to have been very severe. All in all, considering all the non-evidence, I believe it is plausible to argue that the Knesset in October of 2000 where very restrained in their criticism of the government after the October Hezbollah kidnappings. There may be many reasons for this restrained, but that is not relevant for this study.

In 2006 in contrast the Olmert government came under massive critique as early as the day after the Hezbollah attack. The very next day Israeli Members of Knesset (MK) demanded that Israel respond to the provocation by attacking targets in Lebanon and Syria, as well as Hezbollah bases. Yuval Steinitz, MK for Likud and chairman of the Knesset Foreign Affairs and Defense Committee said that “Israel must exact a heavy price for the attack from Lebanon and Syria as well as from Hezbollah, including by striking at both civilian and military infrastructure” (Gideon, Shlomo, and Assaf 2006). Some MKs went even further and demanded on the day following the attack that Olmert and the Minister of Defense Amir Peretz had to resign. Yisrael Katz, also from the Likud, is quoted saying: “the Hezbollah assault was a direct result of the erosion of Israel's deterrence caused by the government's failure to respond to rocket fire from Gaza on Sderot. Since Olmert and Peretz were responsible for this policy, they must go” (Gideon, Shlomo *et al.* 2006). Benjamin Netanyahu followed suit and demanded that Israel should “Fight

³⁵ See respectively: <http://pqasb.pqarchiver.com/jpost/search.html> - <http://www.haaretz.com/hasen/pages/arch/ArchSearchEngArt.jhtml> - <http://www.keesingsbeta.com/>

them [Hezbollah], bash them, smash them” (Harel and Issacharoff 2008: 107). Based on this I believe I can plausibly argue that the Knesset in 2006 pushed for a harsh Israeli response, and that the government would have been met with waves of critique if they had instead opted for limited retaliations. This is exacerbated by the fact that some Knesset members even went as far as to call for the immediate resignation of the cabinet after the attack. Barak was met with no comparable criticism. I therefore argue that I have sufficient evidence supporting prediction 3.

5.6 CONCLUSION

I found in this chapter evidence supporting two of my three predictions. I found evidence supporting the theory that claims that audience cost can be an important mechanism in the escalation of crisis. I argued that Ehud Olmert's boisterous rhetoric following the Hezbollah attack would have stripped him of all credibility had he opted, as Barak did, to not engage Hezbollah. Barak in contrast was very restrained in his communication after the October 2000 attack, and this gave him room for maneuvering. In essence it gave him the possibility to refrain from a counter-attack without the public perception of a foreign policy fiasco. I also found evidence supporting the mechanism laid out in chapter two where I argued that a Prime Minister's natural inclination for sharing responsibility, or spreading the cost, for a life and death decision as the decision to go to war is important. This gives the legislature a prominent place in the framework and clearly deviates from the traditional unitary actor models. I showed that none of the massive pressure mounted on the Olmert government, and the harsh criticism, after the Hezbollah attack was fielded against Ehud Barak. If Barak had been met with the same level of criticism, which he very well might have been, one can plausibly argue that it had been difficult for him not to respond more forcefully to the provocation.

I did not, however, find evidence supporting my first hypothesis predicting that the Barak government would be more stable and stronger than the Olmert government. Both the Barak and the Olmert government suffered from low approval ratings and internal conflicts when Hezbollah attacked. This chapter's primary hypothesis then is supported by two of the three deduced indicators. I find it very interesting that the weakness of a government does not have an impact on the escalation of crisis in my cases. The indicator did however support the central logic of my primary model that highlights the importance of the interaction of rivalry with vulnerability and

criticism. I do believe though that I can plausible argue that the strategic interaction of the government, which makes the decision to escalate, with other domestic actors is important for understanding why crisis escalate. I have shown how the behavior of the Knesset, and the behavior of the government towards the electorate which controls its fate, is important for understanding why a crisis will grow into a full blown war. I have in this chapter broken the unitary actor assumption, and the value-added is a more complex and nuanced understanding of why seemingly similar Hezbollah provocations have radically different consequences. The focus of this chapter has been narrow, I could of course have focused on many more domestic actors, but as a plausibility probe I believe this as been very fruitful, and that the value of looking inside a state has been somewhat established. In the next chapter I will move on to look at the direct bilateral relationship between Israel and Hezbollah.

6 ISRAEL VS. HEZBOLLAH

*He closed his eyes, prayed for his boy, for all of them.
He put his hand down on black dirt, was reminded:
Pennsylvania. I am the invader
Michael Shaara (2001: 103).*

Hypothesis 3: A combination of one-sided incomplete information and simple, in contrast to complex, learning, make conflicts more likely to escalate.

6.1 INTRODUCTION

This chapter discusses the strategic interaction of Israel and Hezbollah. It constitutes the last analytical chapter in my analysis of the reasons for why the Hezbollah actions of 2006 led to a so much more dramatic process of escalation than the almost identical operation the organization undertook in 2000. In analyzing this interaction I will rely on game theory. Game theory has the fascinating ability to bring to light unintuitive results, to make sense of seemingly unsensible behavior. Game theory also, however, simplifies and presents a stylized version of the world. When dealing with the world in a game theoretic manner it is therefore useful to keep in mind the following passage from Lev Tolstoi's *War and Peace*: "(...) the military term "to cut off" has no meaning. One can cut off a slice of bread, but not an army. To cut off an army- to bar its road- is quite impossible, for there is always plenty of room to avoid capture and there is the night when nothing can be seen, as the military scientists might convince themselves by the example of Krasnoe and of the Berezina. It is only possible to capture prisoners if they agree to be captured, just as it is only possible to catch a swallow if it settles on one's hand. Men can only be taken prisoners if they surrender according to the rules of strategy and tactics, as the Germans did." (Tolstoi 2005: 963). Beware of getting lost in abstractions is Tolstoi's caveat.

The conflict between Israel and Hezbollah is intriguing in its complexity, but one of the most interesting aspects is the simple observation that this is a prolonged conflict between a state and a non-state. In the interaction of sovereign states in the anarchic realm of international politics information on what and how much this or that actors wants to achieve something is of supreme importance. This realization has fostered many scholars to study how states can credibly communicate with and commit to each other (see e.g the seminal: Keohane 2005). James Fearon (1995) notes in relation to this that had state's leaders been able to credible communicate with

each other, wars would not occur since it would almost always be possible to reach Pareto optimal negotiated settlements. I will draw on this literature in the following, but the interaction of concern here is not one between two states, but between a state and a non-state³⁶. This ushers in another set of issues related to information that will be the focus of the analysis. All in all I will argue that the interaction between Israel and Hezbollah has been marked by an information asymmetry, and this asymmetry provides a vital key for explaining the trajectory of the crisis. In this, as in most crises, one piece of information is especially important³⁷: how far are you willing to go at achieve a certain goal. In game theoretic terms the question is how *resolved* you are. An actor with high resolve is willing to go far, she might even deem a war acceptable, to achieve a goal, while an actor with low resolve will yield at much earlier point in the crisis. Basically actors want to know two types of information. They want to have information about their own resolve, i.e. about their own willingness to fight, and about their opponent(s) resolve, i.e. its willingness to fight. In most cases actors know their own resolve, but the degree to which they know the other actors resolve varies. In short I find that prior to 2006 Hezbollah on the balance held more information about Israel's resolve, than Israel held on Hezbollah's. This information asymmetry, which stems from the nature of the interaction and is thus a systemic factor, has shaped the conflict and very often given, as will be discussed in detail below, Hezbollah the upper hand. The information asymmetry has however not been stable, and this in turn I will propose is a potent explanation for why the conflict escalated much more dramatically in 2006 than in 2000.

I will suggest that Hezbollah failed to take into account the dynamics of crisis, and thus failed to recognize that Israel's preference structure over time changed. This points to the significance of the difference between complex and simple learning, and I will argue that Hezbollah engaged in simple learning and because of this failed to take into account the dynamics of the conflict. As a consequence of this Hezbollah by its own actions undermined its own prediction of how Israel would act. I argue that Hezbollah seems to not have realized that the history of the conflict greatly influenced Israel's preference structure, and therefore that Hezbollah failed to see that Israel was much more resolved in 2006 than in 2000. In other words by striking a series of small blows at Israel throughout the period, Hezbollah made Israel more resolved, but Hezbollah did not take this into account when it predicted how Israel would behave following its 2006

³⁶ Arguably Hezbollah in some areas constitute almost a quasi-state.

³⁷ This does of course not mean that other types of information might not be important as well.

kidnappings. The conclusions drawn from this analysis have interesting implications for how states in general should behave towards non-state entities in prolonged conflicts. As will be elaborated in the conclusion I suggest that in dealing with enemies such as Hezbollah it may be efficient for Israel to make threats which, to borrow a phrase from Shelling (1980), leaves something to chance. I will start this chapter by briefly discussing the assumption of rationality and the implications this has for the study of Hezbollah, then I will deduce a set of indicators and predictions. Two predictions will be tested, but the bulk of the chapter will be spent testing the second prediction that concerns the role of private information and the credibility of signals. In this I will find strong evidence for my hypothesis about the role of asymmetric information, and the effect this has had on the conflict between Israel and Hezbollah. I will conclude by offering some thoughts about how the findings from this chapter relates to conflicts between states and non-state more generally.

6.2 THE ASSUMPTION OF RATIONALITY

I treat Hezbollah as an inherently rational actor³⁸ in this chapter, and this has some implications that I want to briefly note. In abstract terms the rationality assumption means simply that Hezbollah has a set of aims, and that they choose the best way to achieve these aims. Hezbollah is thus seen as an entity which decides how to act, i.e. which strategies to employ, based on the strategies of other actors, and which therefore will adjust their behavior when other actors adjusts theirs. Other authors also treat terrorist³⁹ organization as inherently rational entities. In their study of Hamas Mishal and Sela shows how Hamas at different times have altered their strategy in light of strategy changes made by the PLO and Israel. When the PLO adopted a non-violence strategy towards Israel during the Oslo accords process, Hamas changed its stance and became more violent so as to not be rendered irrelevant (Mishal and Sela 2006). Powell similarly in his article on how to defend against terrorist attacks treats terrorist organizations as highly rational entities that decides which targets to strike based on “calculations” on where they can attack most efficiently (Powell 2007a). It is furthermore clear from Nicholas Blanford’s analysis of Hezbollah’s tactics and strategy during the 2006 war that the organization had invested

³⁸ Elster defines actions as rational if the actions taken are optimal, given the beliefs, these beliefs must be as well supported as possible, given the evidence, and the evidence must result from an optimal investment in information gathering (Elster 2007a: 191).

³⁹ Obviously Hezbollah is more than just a terrorist organization, but that is beside the point here.

considerable time and resources in determining the optimal way to deploy their forces to counter an Israeli attack, and this evidence shows Hezbollah as a highly strategic actor (Blanford 2006). In line with this I will treat Hezbollah as a calculating and strategic player, which does not fight simply for the sake of fighting, and which is not fanatical. The focus on information also flows naturally from assumption of rationality. If actors are to be considered rational they must, at a minimum, make informed decisions. This information may be both correct and erroneous without undermining the rationality assumption. In a rationalist framework then a study of information is necessary for understanding the actions of the different actors. I will discuss the fruitfulness of a rationalist framework in the concluding chapter.

6.3 ON THE HYPOTHESES

Indicator 6.2: Hezbollah less susceptible to incurring an audience cost.

Audience cost as discussed in the last chapter can drive escalation if leaders get caught in their own rhetoric and have to choose between escalation and the image of having conducted a failed foreign policy. This in turn may hurt the leader's chance of re-election. For small countries however leaders may not have to pay an audience cost, but will instead be rewarded for "standing up to a bully". This non-audience cost mechanism can then cause escalation since it creates the possibility of one party's leadership continuously engaging and provoking another party on a small scale, without having to pay a cost for their behavior. This keeps the conflict alive, which in turn creates the possibility of an escalation taking place at any time. In Fearon's argument audience cost makes it possible for states to signal their intent (Fearon 1994), but if some states, or other entities, do not have a mechanism for signaling their intent the risk of escalation may rise. I expect that Hezbollah's leadership never incurs an audience cost for putting on a show of force and then backing down.

Indicator 6.1: The combination of past incomplete information and learning makes escalation more likely.

Incomplete and private information has been argued to be important explanations for why rational leaders would choose to go to war. Fearon argues that leaders have private information about their resolve in a specific crisis, i.e. their willingness to use force in this specific context, but an incentive to misrepresent this resolve makes it difficult for leaders to reach a negotiated

ex-ante compromise, and thus avoid war (Fearon 1995). In short private information and the incentive to misrepresent create conditions necessary for a rational war to occur. If leaders at all times had information about exactly how much another leader was willing to sacrifice to achieve this or that, war would be unnecessary since these leaders could then simply negotiate a compromise, and to bluff would be impossible. In this study we have a situation not of incomplete information, but of an initial information asymmetry that evolves into incomplete information. In the confrontation between Israel and Hezbollah, Hezbollah holds information about both its and, to a certain extent, Israel's resolve, while Israel only holds information about its own resolve. I expect that this information asymmetry explains both how Hezbollah has been able to prevail for so long in the confrontation with Israel, and how and when it is rational for Hezbollah to engage Israel. The mechanism of learning, discussed in chapter 2, however made it possible for Israel to update their belief about Hezbollah's resolve, and this ended in Israel, in effect, calling Hezbollah's bluff in 2006. Having failed to update their beliefs accordingly during the same period, Hezbollah failed to realize that it did not any longer hold information on Israel's resolve, and thus pushed the conflict too far towards the brink of war without actually realizing it. I argue thus that if Hezbollah had held information on Israel's actual resolve in 2006 the conflict would not have escalated, simply because Hezbollah would not have pushed as far as it pushed. In 2000 in contrast Hezbollah knew how far it could push without incurring a full scale war.

I alluded to the difference between complex and simple learning in the theoretical chapter. The difference between these two concepts grows clearer if you distinguish between subjective and objective information. I can have subjective information about a situation, i.e. my own analysis of a situation, but this may deviate from the actual objective information about a situation. As an example I may believe that I am driving south on Highway 1 in California, while I am actually driving north and will soon enter San Francisco. My confidence, or trust, in my subjective information may also vary, and this is a crucial aspect. If I believe, erroneously, that I am driving south but my confidence in this belief is low, I will at some point stop, take a look at a map, discover that I am driving in the wrong direction, and change course. If on the other hand my confidence in my own information is very high, I am likely to continue south and not discover the error until I end up in Los Angeles⁴⁰. This distinction I believe is crucial for understanding the

⁴⁰ There exists of course also a third possibility where my confidence is high, and the information is also correct.

conflict between Israel and Hezbollah. In game theoretic models what I here call confidence would be captured in Hezbollah's prior belief about Israel's value for war versus tit-for-tat or yielding, or more general Israel's value for war vs. the status quo. The greater Hezbollah's initial, i.e. pre 2006 war, expectation of Israel's resolve is, the less effective Israel's signals will be. I expect to find evidence supporting the view that Hezbollah's confidence in its own analysis was high, while this analysis objectively was flawed. Hezbollah failed to take the dynamic of the conflict into account, and thus failed to see that Israel would consider the aggregate of the conflict and not just a particular incident. This created a situation where Hezbollah's trust in their prediction of how Israel would behave went up, while this prediction actually was wrong.

6.4 PREDICTIONS

From the primary hypothesis one can deduce the prediction that conflicts marked by an information asymmetry over time are unstable, unpredictable and susceptible to escalation. As in the last two chapters, however, it is not feasible to test this prediction, so I have deduced predictions from the indicators and test the primary hypotheses and the theory through these. As I noted in the last chapters this manner of testing a theory is of course weaker than directly testing the primary hypothesis, but taken together these tests will give us a satisfactory picture of the strength or weakness of the theory (Van Evera 1997, 1999).

1. From indicator 6.1 concerning audience cost one can deduce the prediction that Hezbollah's popularity increases, instead of decreasing, in situations where Hezbollah threatens Israel but then backs down.
2. From indicator 6.2 concerning brinkmanship one can deduce the prediction that miscalculation, flowing from the dynamics of crisis, marked the 2006 escalation.

6.5 TESTING THE PREDICTIONS

6.5.1 STANDING UP TO A BULLY

The hypotheses and indicators of previous chapters, as well as the following here, have been designed to measure what I argue are important difference between the 2000 and 2006 cases, and which explain their drastically different trajectories. This indicator does not do that. The goal here is rather to establish that the Hezbollah leadership does not incur an audience cost if it makes

a show of force and then backs down. Not incurring an audience cost has two consequences that are relevant here: firstly, it makes it possible for the Hezbollah leadership to keep the conflict alive without losing their popular support when they engage in rancorous rhetoric or other shows of force, and then in the end is forced to back down. Secondly, that it inhibits Hezbollah from sending costly signals, as will be discussed below, that allows it to reveal private information of its resolve and its intentions to Israel. The goal then is not to show that the Hezbollah leadership incurred an audience cost in 2000 but not in. This indicator does not explain variation in the dependent variable. Its relevance is instead tied to the next issue of brinksmanship which deals directly with variation in the dependent variable.

James Fearon argues that: “Particularly in small, relatively powerless countries, publics may actually reward leaders for “standing up” against a larger state’s explicit or implicit threats (...) If public statements and threats create no audience cost or are actually beneficial even if the state will back down, then these signals will provide no information about its actual willingness to use force (1992: 184, 186). Over the years Hezbollah has carried out a vast amount of operations against Israeli forces, and many of these operations have been extremely successful. Success in this respect does not imply that Hezbollah time and again stroke a vital blow at Israel, it means rather that Hezbollah was able to project an image of success by carrying out its operations and not being effectively countered by Israel. In the period 1996 to 2000, i.e. the lead up to the Israeli withdrawal, Hamzeh lists as many as 4928 operations carried out by Hezbollah and its affiliates, while 16 operations were carried out in the period 2001 to 2004 (Hamzeh 2004: 89). The simple fact that Hezbollah has been so successful thus makes it rather difficult to study whether or not the leadership is susceptible to incurring an audience cost. The best case in point is an incidence in April of 2002. In this case Hezbollah initiated and escalated a crisis greatly, before it decisively backed down following threats from then Prime Minister Ariel Sharon. Sharon threatened to attack Syria if Syria did not reign in Hezbollah (Sobelman 2004). In this incidence the Hezbollah leadership made a show of force that would have created an audience cost had it been carried out by most other states. Instead though the leadership does not seem to have suffered at all from what could have been an embarrassing withdrawal, and instead seems to have come out of the incident strengthened (Harik 2004). Ideally I would have liked to examine more cases in more detail, but based on this admittedly limited pool of evidence I believe I can argue

that, in accordance with the prediction, the Hezbollah leadership does not loose support if they put on a show of force and then in the end back down.

6.5.2 THE BRINK OF WAR

When is it rational for Hezbollah to attack Israel? To answer that question I will draw on the literature on nuclear brinkmanship, and on the ideas of private information. In Robert Powell's study of nuclear deterrence he examines the effect of longer crisis in which the nuclear armed parties take small steps towards the brink. In this model Powell finds that the parties "generally become less and less likely to escalate as the crisis unfolds. Each also becomes more and more confident that its adversary is resolute" (Powell 1990: 85). In this model the chance of a state escalating a crisis increases, perhaps contra-intuitively, as the resolve of the adversary increases. Conversely the chance of escalation increase as the challenger's stake in the status quo increases. The second conclusion seems to hold for the conflict between Israel and Hezbollah as well, while the first conclusion does not. I will assume here that Hezbollah does not want a full scale war, but that it always prefers to make the first move. Israel on its side never makes the first move, but prefers a full scale war to continued incremental escalation *after* a certain point. The location of this point is unknown to Hezbollah, for now, but known to Israel. Hezbollah thus prefers a tit-for-tat game, which means that Hezbollah will stop escalating if Israel does, and escalate further if Israel chooses to do so.

Figure 6-1: Tit-for-Tat Game.

		H		
		Tit for tat	Yield	Escalate
I	Tit for tat	2,3	2,1	2,2
	Yield	3,1	3,3	1,0
	Escalate	1,2	1,1	0,3

An underlying assumption then is that Hezbollah always prefers to keep the conflict “alive”. Hezbollah escalates in its first move, and then matches Israel in every move after this. I assume for know that the parties can escalate indefinitely without actually going to full war.

In the game in Figure 6-1 Hezbollah continues the tit-for-tat game if Israel continues it, and yields if Israel yields. Israel on its side yields if Hezbollah yields or tit-for-tats, but prefers to answer a Hezbollah escalation with a tit-for-tat move. Meaning that Israel will respond to Hezbollah’s escalatory move, but not expand the crisis. This game is meant to represent the situation at point $t+1$, at which point Hezbollah has already made its initial move. A game with this structure would be an ideal situation for Hezbollah since it more or less puts the organization in the driver’s seat. Whatever Hezbollah chooses to do, it does not risk a full war, in effect creating a situation where Hezbollah can continuously harass Israel without paying any cost for it. Clearly this is not an accurate presentation of the conflict between Israel and Hezbollah, but this extremely simplistic game actually does highlight some important parts of the conflict dynamics. When Ehud Barak in October of 2000 chose not to respond more forcefully to the Hezbollah kidnappings he created a situation where Hezbollah was allowed to run the show, and as this game highlights, only a change in Israel’s preference structure can change the dynamics of the game. Had Barak been a more resolute actor and chosen to escalate instead of yielding from the tit-for-tat game, as he promised the electorate to do, Ehud Olmert would very probably not have found himself in the same situation six years later. This is the argument many commentators made after the war of 2006 (e.g: Harel and Issacharoff 2008). As it stands now the game also explains why Hezbollah leader Hassan Nasrallah was genuinely surprised by Israel’s forceful response to the July 2006 kidnappings. He expected Israel to do nothing, or at least not do anything *more* than continue the tit-for-tat sequence. The tit-for-tat game has interesting feature and reveals a great deal of information on the preference structure of the opponents. If Hezbollah believed that Israel’s preference structure resembled the one in this game it becomes clear why it chose to kidnap the IDF soldiers, but it also explains why Israel responded so forcefully. This becomes clear when one considers that Israel lacks the ability, in this game, to communicate to Hezbollah that Hezbollah’s view of Israel’s preference structure is faulty. Israel therefore has to signal that it will no longer play a tit-for-tat game by actually showing its willingness to respond forcefully, and not just threatens to do so. The game in Figure 6-1 is very static and the analogy

will only take us so far, but before I move on to dynamic games I want to look at one more static game, one of chicken.

Crises are often modeled as games of chicken. In a classic game of chicken two actors drive towards each other on a collision course in order to establish which one is the toughest, i.e. to find out who is the chicken and swerves and who is tough guy. Both actors however prefer surviving as a chicken to being a very tough dead guy (Elster 2007a). A game of chicken in normal form is depicted in Figure 6-2:

Figure 6-2: Game of Chicken

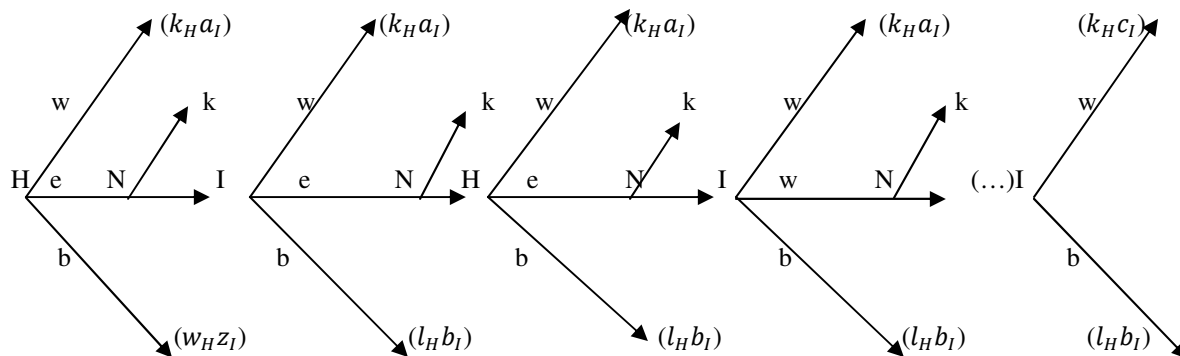
		2	
		Swerve	Not swerve
1	Swerve	1,1	0,5
	Not swerve	5,0	-5,-5

This game has two Nash equilibriums⁴¹: (Not swerve, swerve), and (swerve, Not swerve). In other words if one of the actors swerves, the other will stay the course. The game also shows that both players prefer swerving to not swerving. This type of game has been used as an analogy for modeling the interaction of nuclear armed opponents (Powell 1990: 34 - 37). In a crisis involving two nuclear opponents where nuclear war is a possibility, both actors would prefer not escalating a crisis further, and thus accepting the status quo, to launching a nuclear attack. In the case of the crisis between Israel and Hezbollah only one of the actors, Israel, has nuclear weapons, but I would argue that it borders on ridiculous to believe that using nuclear weapons against Hezbollah was ever a relevant option for Israel. I do however argue that parts of the analogy is interesting and relevant for my purposes here. In the crisis between Israel and Hezbollah I argue that Hezbollah wants to escalate the crisis as far as possible without actually starting a war, i.e. Hezbollah in the ultimate move prefers de-escalation to taking another step that might lead to war. Phrased less formally Hezbollah wants to push Israel as far as Israel is willing to be pushed without launching a war. Israel on its side wants war under some conditions, but only when it

⁴¹ Formally a Nash equilibrium is: “a pair of strategies that are best replies to each other on the equilibrium path” (Morrow 1994: 351)

believes that its ability to deter has been substantially undermined. Although this is a very simple abstraction it highlights one interesting feature about the Israel Hezbollah interaction. Modeled in this way Israel seems to be at an almost constant disadvantage. Up until the point where Israel chooses to launch a war, the initiative is in Hezbollah's hands at all times. To launch a war is, however, an extremely costly decision. Israel will be very reluctant to take such a step, and Israel thus creates a situation where the dynamic of the interaction gives Hezbollah the initiative, and leaves Israel few, if any, possibilities for changing the status quo without launching a war. I will return to this below when we expand the game. Returning to the game of chicken Powell notes that this game in normal form is interesting, but that it quickly loses its usefulness since: "There is no sequence of plays, no series of interacting decisions, no process in the model. There is no way a state can take its adversary's past actions into account in assessing the likelihood that the adversary will stand firm, for in the model there is no past actions" (Powell 1990: 37).

Figure 6-3: Brinkmanship game with complete information⁴²



The game depicted in Figure 6-3 is a game of brinkmanship that explicitly brings the history of the conflict back into the analysis. The idea of a game of brinkmanship was developed by Shelling (1980). In discussing threats that leaves something to chance he writes: "Brinkmanship is thus the deliberate creation of a recognizable risk of war, a risk that one does not completely control. It is the tactic of deliberately letting the situation get somewhat out of hand, just because its being out of hand may be intolerable to the other party and force his accommodation" (Schelling 1980: 200). More generally it is the idea that the "brink of war" might not be a neatly delineated point, but rather a "curved slope that one can stand on with some risk of slipping (...)

⁴² The game tree can make it look as if "I" has two moves in a row, at the games last and second to last node, but this is not the case. It is assumed that "H" has made a move between the two "I" nodes at the end of the game, i.e. within the (...) part of the game.

the slope and the risk of slipping are rather irregular; neither the person standing there nor the onlookers can be quite sure just how great the risk is, or how much it increases when one takes a few steps more” (1980: 199). It is easy to see how misperception can come to play an important part in brinkmanship crisis. If one or both of the actors misperceives the other’s level of resolve, he may end up pushing the crisis beyond the brink while all the time believing that the adversary will submit and yield to the status quo before the crisis turns into a war. The war then can, because of misperception and private information, come about as an unintended consequence. This is also Fearon’s point when he argues that the combination of states concealing their true willingness to fight and private information can explain why rational leaders may end up fighting unwanted wars.

The game in Figure 6-3 starts with a move by Hezbollah, labeled H, which can choose, in its first move, between backing down and thus accepting the status quo; escalating the crisis; and launching an attack that is certain to lead to a war. These alternatives are labeled b, e and w respectively. If H plays b in its first move the game ends, yielding a pay off of (w,z). The payoffs are ranked accordingly. For I: $z > c > b > a$, i.e. submitting is better than launching massive attack, up to a point where launching such an attack is better than submitting. For H: $l > k > w$, i.e. Hezbollah prefers backing down to enduring a full-scale war, but not at the cost of abandoning the conflict all together. It might be controversial to claim that Hezbollah does not want war, but Daniel Sobelman argues that Hezbollah’s: “activity is designed to reduce the danger of a massive Israeli response against Lebanon as much as possible, since it would be detrimental to Hezbollah and other parties aligned against Israel” (Sobelman 2004: 12). Escalating by itself does not yield a pay off since it is not seen as a goal in itself. Rather for Hezbollah the ultimate goal of escalation is to force Israel to accept the new status quo, while the goal for Israel is to force Hezbollah to back down. In its first move Hezbollah has to choose between b, e and w. If Hezbollah chooses to escalate and plays e, the onus of escalation shifts to Israel. Following Powell (1990: 39) the heightened risk of war caused by escalation is modeled by letting nature, N, make a move immediately following an escalation by H or I. Nature then increases the risk of war with k, and when this k reaches 1, the risk of war is certain. The reasons for the increase in the risk of war are plentiful, and some potential reasons were discussed in the last chapter such as audience cost incurred by the Israeli government, and pressure or criticism from the Knesset. The game can end at any time if I or H chooses to back down or launch a full scale war. After H has chosen to

escalate and Nature has increased the risk, player I now has to choose between escalating further, backing down or launching a full scale war. It might be useful to illustrate these choices with some real world examples. Throughout the period between 2000 and 2006 Israel and Hezbollah engaged in small scale skirmishes (Sobelman 2004). In our game then if Hezbollah plays e in its first move, this would be the equivalent of launching rockets at IDF posts in the Shabaa farms. An Israeli response that ignores the attack, or one which plays tit-for-tat and launches a very limited rocket attack at a Hezbollah position, would be equivalent to Israel playing b and thus accepting the status quo. If Israel instead chooses to launch a more massive assault by e.g. attacking Hezbollah headquarters in Beirut, Israel would in effect have escalated the situation and played e. This would raise the risk of full scale war and shift the onus of escalation back to Hezbollah.

After Israel has played e and Nature has increased the risk, the play moves back to Hezbollah who can settle for the status quo or continue escalating. At this point however Hezbollah will only escalate if it feels reasonably certain that it is not too close to the brink, which in terms of our game would mean that Hezbollah was at its last node in the game tree and thus at the point where Israel would prefer war to backing down in its next move. The game moves along these lines with the onus of escalation shifting back and forth between Israel and Hezbollah, and Nature raising the risk of war after each step towards the brink. The game shows how Hezbollah's miscalculation of Israeli resolve can be an important explanation. Hezbollah always wants to escalate to keep the conflict going, and in all but its last move this is rational, in the sense that the pay off for escalating is greater than for backing down. One could possibly also include a term in Hezbollah's pay-off structure that captured the increased benefit Hezbollah receives for every extra step it pushes Israel. Recall that Hezbollah wants to push Israel as close to the brink as possible without actually incurring a war. Hezbollah's payoff for getting Israel to submit and accept the status quo in a fourth round of escalation would thus be higher than the pay off it gets if Israel submits in the second round. At some point though the potential extra benefit of one more round of escalation would, for Hezbollah, be smaller than the increase in risk of war and Hezbollah would therefore submit at this node.

With complete information this game greatly favors Hezbollah. Since Hezbollah always starts the game it has the ability to keep the conflict going, while all the time knowing when to stop short

of provoking Israel into war. Complete information obviously is an unreasonable assumption, but it has some cute features. Consider the above mentioned crisis between Israel and Hezbollah in 2002. In April of 2002 Hezbollah engaged Israel in a series of attacks that targeted both military and civilian targets along the Lebanese – Israeli border. This constituted a clear act of escalation, but in the words of one analyst: “Israel was loath to retaliate against Hezbollah, lest a limited exchange escalate into war. Israeli sources did not hide their concern that Hezbollah might make use of its rocket arsenal to strike at Israeli civilian targets in retaliation to a serious Israeli offensive” (Zisser 2002: 5). Israel chose instead to warn Syria that it had to curb Hezbollah, and the confrontation eventually ended when Hezbollah by itself seized operations (Zisser 2002). There are two very interesting features about that incident which the complete information game captures. I will address these shortly, but first I should address a question that begs itself. Was a similar option as this present in 2006? For two reasons I would argue that this was not an option in 2006. Firstly, between 2002 and 2006 it had become clear that Iran wielded much more authority over Hezbollah than Syria. This became especially true after Syria was forced to withdraw from Lebanon in 2005. A similar threat in 2006 would hence have to be directed at Iran. Secondly such a threat directed at Iran would not be nearly as credible as the threat against Syria. This because an attack on Iran would be much more complicated, and its effect, in term of military impact, much more uncertain than the threat of an attack against Syria.

Returning to the game at hand and the issue of signaling. In a game of brinkmanship as the one in Figure 6-3 where both parties wish to avoid full scale war, information will obviously play a vital part. In general both actors will look for signals for when the other party has been pushed to the brink, or when one can still push him a little further (Morrow 1994: ch. 8 on signaling games in general). This means that even though the two actors might start out with very limited information, the preference structure of the other actor may be revealed by his signals throughout the game, or from information the actors have on each others preferences learned from earlier encounters. Especially in combination these sources of information could plausibly give the actors a reasonably firm foundation for drawing conclusions about the other actor’s preferences. When looking at the April 2002 confrontation described above in light of this it seems clear, however, that there is a very big difference between the sources of information available to Israel and Hezbollah. It is not unreasonable to claim that Hezbollah “won” the April 2002 stand off, and this I argue is due primarily to information asymmetries. Israel is able to send costly and credible

signals to Hezbollah (see Fearon 1992: ch 3 on signaling in I.R), but the reverse is not true and this gives Hezbollah, because of the nature of the conflict, the upper hand. I will return to this, but first let me say a little bit more about signaling in the 2002 confrontation. Israel was pushed very far towards the brink of war in this confrontation, but before being pushed all the way to what would be the last node in Figure 6-3 Israel sent out a credible and costly signal. Israel threatened to attack Syria if it did not reign in Hezbollah. Clearly in the context of the gross relative level of power between Israel and Syria, which means that Israel quite easily could inflict massive destruction on Syria without having to fear retaliations⁴³, an Israeli threat to target Syria is credible. One could argue that this also makes the signal cheap, as opposed to a costly signal, and therefore that it provides little information about Israel's actual specific resolve. But I argue that the credibility and the cost of this threat are increased by the importance Israeli leaders put on its deterrent ability, an ability that would be undermined if Israel continuously threatened and then not followed through. Undoubtedly the leaders of Israel's neighbors are aware of the importance Israel puts on its ability to deter. Such a threat would also create an audience cost.

Israel therefore, in effect, revealed its hand in the 2002 confrontation and this made it possible for Hezbollah to push things as far as it wanted without incurring the cost of war. Or more precisely it made it possible for Hezbollah to push Israel as far as Israel was willing to go in this particular instance without launching a war. Had Israel had been willing to settle for less in 2002, Hezbollah would have pushed further. It is very plausible that Hezbollah expected Israel to do the same in 2006, but Israel did not. Interestingly Hezbollah on its side does not have the same ability to send credible signals as Israel. As I discussed in section 6.5.1 actions by the Hezbollah leadership does not create an audience cost. The question then is how Hezbollah can credibly communicate its resolve to Israel. In discussing international relations Fearon (1997) distinguishes between signals which produce ex post and ex ante costs. Ex post costs are produced by audience cost, and is comparable to tying one's hands, while ex ante costs are produced by e.g. mobilizing troops and thus is equivalent to sunk costs. Now, if Hezbollah does not incur an audience cost, the only way it can send credible signals in Fearon's framework is by mobilizing troops or in other ways paying a direct financial cost of its actions which sends a signal to Israel about Hezbollah's resolve. This relative inability to send credible signals could potentially be

⁴³ An example of this could be the recent Israeli attack on an alleged Syrian nuclear facility.

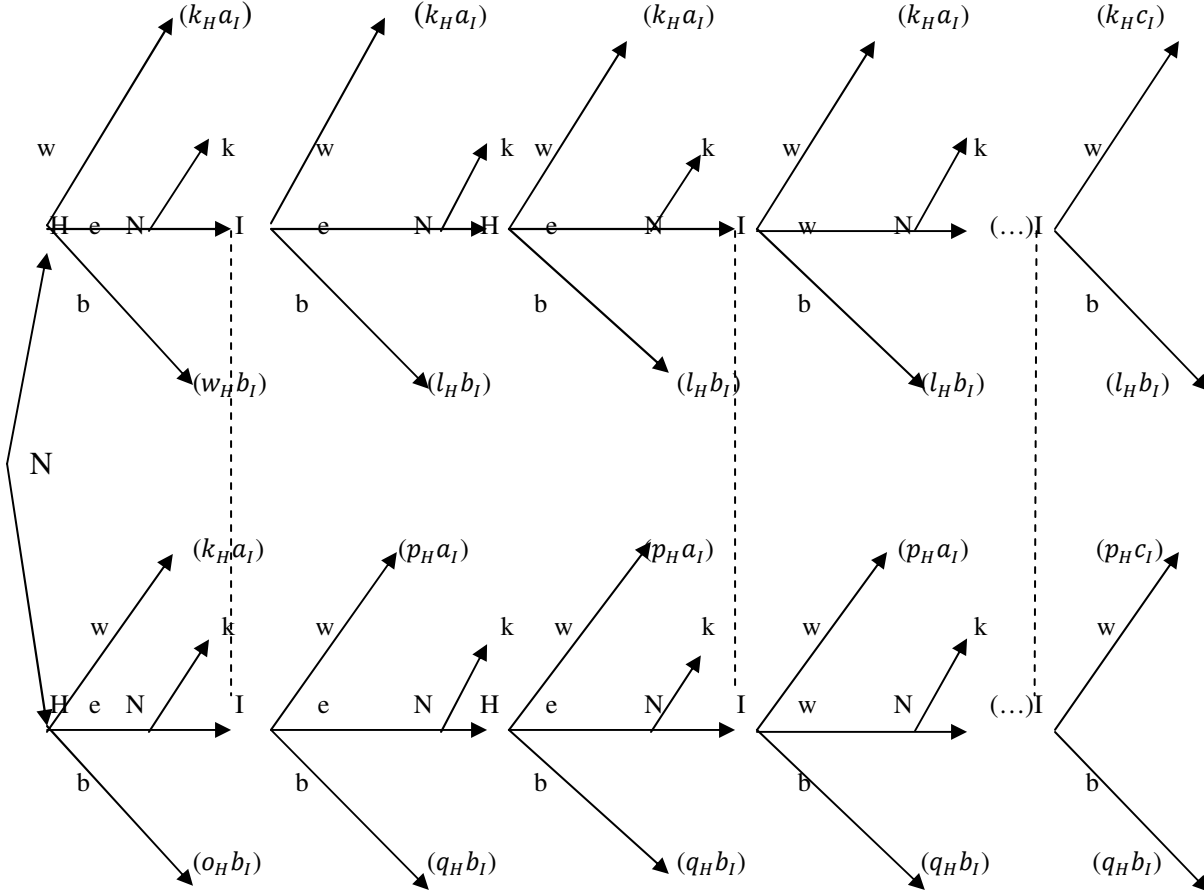
detrimental to Hezbollah, but as long as Hezbollah continues to hold the initiative the information asymmetry is a strength for the organization. This is so because to signal its intention is necessary for Israel, and it is necessary in very different ways than it is for Hezbollah. Israel can not be seen as launching massive attacks time and time again without drawing some line in the sand⁴⁴ that makes it possible for Hezbollah to back down. If Israel was to launch massive attacks on Lebanon without some kind of warning the damage this would do to Israel's standing in the long run would be so severe that the behavior would be unsustainable⁴⁵. In essence then we have a situation not of complete information, but one of an information asymmetry that approaches one-sided complete information. Hezbollah holds information on both its and, to some extent, Israel's resolve, while Israel only holds information about its own resolve, i.e. private information. By resolve I here mean what Fearon (1992) terms specific resolve, i.e. resolve over this specific incident, and not general resolve, i.e. how tough Hezbollah is on average. Israel may hold information about Hezbollah's general resolve. A game with one-sided incomplete information is shown in Figure 6-4.

The game in Figure 6-4 below starts with a move by nature that determines which strategic types Hezbollah and Israel are. Hezbollah is informed of both of Nature's choices, while Israel is only informed of what type it is. The game in this structure shows how Hezbollah was able, in 2002, to push Israel considerably without incurring a full scale war. What happened is that Israel revealed its hand, and Hezbollah hence decided to back down in its subsequent move. Thus far the model has explained, by looking at the role of private information, why no escalatory process took place in 2000 or in 2002. Since information is one-sided incomplete, Hezbollah in this model was able to back down before incurring a war. I have argued, furthermore, that this gives Hezbollah the initiative in the confrontation, and that this could give it the upper hand in the overall conflict. The next question is why the equilibrium that sustained peace in 2000 and 2002 broke down and was replaced by a war-equilibrium in 2006. Again I will turn to private information for an explanation.

⁴⁴ In international relations real ultimatums of the "back down now or I will attack" type are extremely rare. As the literature points out this is very probably due to the significance of being the first mover. Thus if I know that you will attack me tomorrow, I will attack you today to preempt it, and hence you would be wiser not to have given the ultimatum in the first place (see e.g. Van Evera 1999). The structure of the Israeli Hezbollah crisis is however very different and this kind reasoning is not likely to apply.

⁴⁵ Consider e.g. Israel's effort, failed or not, to look reasonable in the eyes of world opinion during the 2009 war in Gaza by warning the civilian population in Gaza in advance of attacks by sending out mobile text messages.

Figure 6-4: One-sided incomplete information



To tighten up the argument I will formalize it a little bit. The central ingredients in the discussion have been the actors resolve and their respective cost for war. Formalizing this yields the following equation for Israel's and Hezbollah's expected utility for fighting a war (EUW)⁴⁶.

$$EUW_{Hezbollah} = (p \cdot UW_H^V + (1 - p) \cdot UW_H^D) - c_H = \quad (6-1)$$

$$EUW_{Israel} = (p \cdot UW_I^V + (1 - p) \cdot UW_I^D) - c_I = \quad (6-2)$$

In the equation p is the probability the actor will win the war, c_i is the cost of war, UW is the price gained from winning or loosing a war for the respective actor. This price is defined as an issue space $X = [0,1]$ where 0 is Israel's preferred point while 1 is Hezbollah's. The probability that Israel will win the war is very high, so I define p for Israel as being 0.9, while the probability that Hezbollah will win is set as 0.1. The cost of war will be great for both parties, but it is

⁴⁶ This is a very common way for modeling expected utility, see e.g. Bueno de Mesquita (1983). It basically is the probability of getting something one wants; taken together with the probability of getting something one does not want, compared with the cost of fighting for it. This section draws heavily on Hegre (2009).

difficult to give this an intuitive value. Before I define it let me note that many authors model differences in resolve by including this in the cost parameter, and then letting this vary. Recall that Israel's resolve is common knowledge, but Hezbollah's is not, i.e. the incomplete information only goes one way. I set the cost of war at 0.6 for Hezbollah and 0.4 for Israel, thus implying that the cost of war is higher for Hezbollah than for Israel. I believe this is a reasonable assumption. After all although Israel's direct financial cost of war will be much higher, at least in absolute terms, than Hezbollah's, Hezbollah's overall cost of war, taking into account the destruction Israel is capable of incurring, should be higher. By solving the equation we get the following expected utilities.

$$EUW_{Hezbollah} = (0.1 \cdot 1 + (1 - 0.1) \cdot 0) - 0.4 = 0.1 - 0.4 = -0.3 \quad (6-3)$$

$$EUW_{Israel} = (0.9 \cdot 0 + (1-0.9) \cdot 1) - 0.6 = -0.1 - 0.6 = -0.7 \quad (6-4)$$

The actors will initiate a war in this model if the status quo distribution (x) is smaller than the expected utility of war for the respective actor. Israel then would launch a war in this model if the status quo distribution, at the node it was at, was smaller than 0.5, while Hezbollah would initiate a war if the status quo distribution is smaller than 0.3. In other words if Hezbollah at a node in the game tree has escalated the situation up to a point where the status quo distribution is 0.4 for it, and therefore 0.6 for Israel, Israel may choose to escalate further but Israel will not launch a war since it is reasonably content with the situation as it is. If however Hezbollah's action has resulted in the distribution being 0.4 for Israel, Israel will decide to launch a war since the distribution is smaller than the expected utility of war. The aim with this was to focus our attention firstly on the role of resolve, and secondly on the role of incomplete information. Let us define a status quo distribution, which Hezbollah and Israel have arrived at after a few rounds of escalation, as $x=0.5$ for Hezbollah, and thus 0.5 for Israel as well. This may typically be a situation where Hezbollah has inflicted some casualties on Israel, while Israel has made limited retaliation. If this is the distribution, then at what cost of war will Israel be willing to launch an attack? Of course we already know this. As the equation above shows, given the probability of winning the cost of war Israel is willing to bear to challenge the status quo, with distribution 0.5, with a war is 0.6. A cost above this would mean that Israel had opted to not launch a war. This model, as noted, incorporates resolve in the "cost of war" term, meaning that a decrease in this term would increase Israel's or Hezbollah's resolve in the model. As the game progresses from the first node,

the status quo distribution changes in a manner positive to Hezbollah up to a certain point. It is of course conceivable that the situation was reverse, but in all the cases I have looked at, the confrontations starts with an action by Hezbollah that change the status quo distribution. As the confrontation progresses the distribution is altered and the question is when the distribution is seen as so unacceptable to Israel that they choose to launch a war. The focus is on Israel since I have argued that the decision to launch a war, for all intents and purposes, is a decision which is Israel's and not Hezbollah's.

Two types of resolve are included in the cost of war term: specific and general (Fearon 1992: ch 3). In the 2000 and 2002 confrontations Israel revealed its specific resolve. Specific resolve might seem like an abstract term, but in reality it merely is the cost of war Israel is willing to bear in order to change the situations as it is at that point. After Hezbollah carried out its kidnappings in 2000 Israel revealed its resolve by in effect not retaliating at all. In 2002 Israel revealed its resolve by sending a costly signal, i.e. threatening to attack Syria. In both cases however what Israel revealed was its specific resolve over the particular issues at hand, not its general resolve. Based on the signals and the history of the earlier confrontations therefore Hezbollah is very likely to have anticipated the confrontation in 2006 to resemble the ones in 2000 and 2002, and that Israel would reveal its resolve and make the conflict resemble a game of one-sided incomplete information as in Figure 6-4. Hezbollah could then, as it did in 2000 and 2002, use the fact that it had private information of its resolve, while Israel's resolve was "public knowledge", to get as much as possible out of the confrontation without incurring a war. In other words to escalate the confrontation as far as possible towards the last node of Figure 6-4, without actually reaching this node since Israel at that point prefers war to the status quo.

The game also highlights the important difference between simple and complex learning. Hezbollah engaged in form of learning best described as simple. The organization thus believed that they knew Israel's preference structure, or in other words that they had ascertained how resolved Israel was. Based on the experience from earlier confrontations, therefore, it is very possible that Hezbollah in 2006 expected Israel firstly to not initially consider the kidnapping to be a casus belli. I.e. Hezbollah did not expect Israel to consider the cost of war to be too low compared to the status quo distribution. Secondly, also based on previous encounters, I argue that Hezbollah expected Israel to signal its resolve at a point in time where it would still be possible

for Hezbollah to back down. Thus creating a situation resembling the game in Figure 6-4. As we saw in the last chapter however, Israel's first response to the Hezbollah operation was the harshest possible retaliatory move it could make. What we are left with then is that Hezbollah underestimated Israel's resolve. It underestimated Israel's general resolve by not appreciating that Israel would, rationally, learn from their earlier encounters, and reach the conclusion that a tit-for-tat game was unacceptable. Hezbollah thus failed to realize that Israel's general resolve since 2000 and 2002 had increased and Israel was now much more likely to deem the cost of war acceptable at a point where it in the past would have settled for the status quo distribution. Hezbollah's prediction of Israel's behavior had been undermined by Hezbollah's own previous actions, i.e. Hezbollah undermined its own prediction and thus miscalculated the situation. Hezbollah also failed to take into account the specific resolve of Israel in this particular situation. Based on the precarious situation of the government, as discussed in the last chapter, and what Israel perceived as its deteriorating strategic environment, as discussed in chapter four, Israel's specific resolve was much greater in 2006 than in 2000. Had Hezbollah engaged in a more complex form of learning, and thus taken the dynamic of the conflict into their analysis, the leadership would have realized, at the very least, that they could not be overly confident in their prediction of how Israel would respond to another kidnapping. On the face of it this is somewhat trivial, but the important thing is how this ties into the question of information.

The role of information makes the observation that Israel was more resolved in 2006 than in 2000 decidedly non-trivial. Hezbollah had played the game in Figure 6-4 at its previous encounters with Israel, at least after Israel's withdrawal from southern Lebanon. In 2006 however Hezbollah was not the only player with private information. Hezbollah expected, I have argued, that Israel would reveal its private information, thus allowing Hezbollah to once again exploit the fact that it was the only player who knew "all the facts". Hezbollah failed to realize that it faced an adversary with much higher resolve in 2006 than earlier, and failed to realize that it would this time be playing a game of two-sided incomplete information where Hezbollah was not privy to Israel's private information. Following the July 2006 kidnappings Israel chose to not engage in a more or less prolonged period of tit-for-tat escalation but instead initiated a move that raised the stakes immediately and made escalation to full scale war if not inevitable, then much more likely. If Hezbollah had recognized the signals from Israel about the strength of its resolve, I argue that Hezbollah would have backed down, in the sense that it would not have carried out the operation

at all. Hezbollah on its side was incapable of revealing to Israel that it did not want war, since the organization cannot send costly signals the same way as Israel. This implies that if Hezbollah had been willing to make serious concessions which would have altered the status quo distribution to the point where Israel was no longer willing to bear a war; Hezbollah would not have been able to communicate this. It had in essence lost the upper hand, and could no longer play the brinkmanship game it had relied on in the past. This analysis I believe establishes the plausibility of my indicators and predictions, but it also points to interesting insights into how to deal with non-state entities in general.

6.6 CONCLUSION

I find strong evidence for this chapter's hypothesis. I have argued that Hezbollah leaders do not seem to incur an audience cost in the same way as Israel's did, and that the combination of private information and learning appears to be a potent explanation. I have shown under which conditions it is rational for Hezbollah to attack Israel, and I analyzed this first as a tit-for-tat and a chicken game, before I drew on the insights from models on nuclear brinkmanship and looked at the conflict in light of these models. These bring to the front the importance of information, more precisely the importance of private information about one's resolve over an issue. The games highlighted that the structure of the Hezbollah – Israel interaction seems to have favored Hezbollah for quite some time. Hezbollah has been able to capitalize on the fact that it has held information about both its and Israel's resolve, while Israel has held information only about its own resolve. In many earlier confrontations therefore, as the ones in 2000 and 2002 which I have looked at here, Hezbollah has been able to use this information asymmetry to determine exactly how far it was possible to push Israel without actually risking a full scale war. Hezbollah took advantage of the fact that Israel was both able, and often compelled, to send out costly and credible signals about its resolve before it launched a full scale war, meaning that Hezbollah could back down, as it did in 2002, immediately following such a signal.

In 2006 however my analysis shows that Hezbollah failed to take into account the difference between general and specific resolve. Israel's specific resolve over securing the return of a captured soldier may have been the same in 2006 as in 2000, but Israel's strategic context, the precarious situation of the Olmert government, and the lessons Israel had drawn from earlier

encounters with Hezbollah had increased Israel's general resolve in dealing with Hezbollah. In formal terms this meant that the cost of war Israel was prepared to bear in 2006, was much greater than it had been in 2000. An interesting conclusion might be drawn from this. Since most developed countries have to, for reasons relating to norms of conduct etc, send costly signals before going to war, non-state actors that are by default unable to send credible signals often have the upper hand. In many ways my discussion here has shown how Hezbollah most of the time held the initiative, while Israel was confined to merely reacting to Hezbollah actions. The result was that Israel in order to change the dynamic of the conflict had to launch a very war. The rather unintuitive result of the discussion is that Israel, and the region, might have fared better had Israel consistently denied Hezbollah the initiative in the conflict by introducing an element of chance into its interaction with Hezbollah. This had changed the information asymmetry and left Hezbollah guessing about Israel resolve. I am of course not arguing that Israel should flip a coin to decide how to react to Hezbollah actions, but by introducing other kinds of chance, e.g. by authorizing field commanders at lower levels to make decisions on how and when to retaliate, Hezbollah might have been much more efficiently deterred from conducting the numerous operations it did carry out.

7 CONCLUSION

7.1 INTRODUCTION

This thesis sought to uncover: *which factors explain why the conflict between Israel and Hezbollah experiences sudden instances of escalation?* Or more precisely why was not the Hezbollah operation of October 2000 followed by a process of escalation, in the same way as the almost identical Hezbollah operation of July 2006? I will summarize my findings on this question briefly below, but to pre-empt it a little, I have found that a mixture of domestic and international factors explain why Israel decided to escalate the conflict in 2006, but not in 2000. These factors relate to the regional balance of power, to the domestic situation of the Israeli government and to issues relating to information and then especially miscalculation and misperception. Had these factors been different, had e.g. the regional balance of power shifted differently and had the position of the government been altered, I argue that the trajectory of the crisis of both 2000 and 2006 would have been different. In the following I will discuss which factors are necessary or sufficient for causing escalation, I will then sum up my findings, discuss what implications my findings have for theory, discuss issues relating to reliability and validity and end this thesis with some ideas for future research.

7.2 NECESSARY VS. SUFFICIENT FACTORS

A few days after Hezbollah carried out their kidnappings in the summer of 2006 the trajectory of the crisis was, I will argue, over-determined. By this I mean that at a certain point an accumulation of factors had taken place that made the escalation all but inevitable. Between Hezbollah's 2000 and 2006 kidnappings four factors had come together that when combined with two factors that followed after the 2006 kidnapping increased the risk of escalation as far towards certain as possible. The factors occurring between the two kidnappings were: (1) a regional shift in the balance of power which increased Iran's clout and deteriorated Israel's strategic environment. (2) Together with this shift in power, Hezbollah's relationship with Iran forced Israel to consider its wider strategic environment when engaging Hezbollah. (3) Hezbollah's failure to distinguish between specific and general resolve and thus its inability to see that its prediction of how Israel would react to a kidnapping was wrong. In essence Hezbollah had thus

engaged in simple, in contrast to complex, learning, and this created a situation where Hezbollah had a high degree of confidence in its analysis, while this analysis in fact was unreliable. (4) This in turn meant that Israel could not easily signal its resolve on this issue, i.e. its willingness to fight. Those four factors created a situation which greatly increased the risk of escalation. When these four were combined with the following two, escalation became, I argue, all but inevitable. (1) Olmert's show of force, both rhetorically and militarily, directly following the kidnappings created a situation where his government would have incurred a substantial audience cost had he backed down. (2) The pressure and criticism Olmert was subject to by the Knesset also created a situation where Olmert's political future had been highly uncertain had he backed down⁴⁷.

These factors were all absent in October of 2000, and when they combined, as they did in the summer of 2006, they made the risk of escalation almost certain. Although none of these factors were by themselves sufficient for causing escalation, some were "more necessary" than others. I argue that of the seven above the following three factors are the most important for explaining the difference between 2000 and 2006: (1) Olmert's substantial show of force; (2) Hezbollah's inability to pick up on Israel's signaling; and (3) the shift in the regional balance of power and the rise of Iran. The other factors then made the situation over-determined. Had these three factors been present at the time of the Hezbollah operation in October of 2000 the risk of escalation would have been much greater, and I believe the crisis at that time would have ended in a military confrontation. Any combination of the remaining four factors would also have increased the risk of escalation, but without these three the risk of war is substantially lower. The three factors combine long term change, the shift in power, a triggering factor, Olmert's mounting audience cost, and a factor concerning the strategic interaction, the signaling problem caused by learning. They also combine both underlying "material" change, changes in the balance of power, and the effect of choices made by the actors just before the escalation, Olmert's show of force. I have not tried to explain *why* Olmert choose to act the way he did, or why Barak choose to act the way he did, although this clearly would be interesting. The other factors are also important, but in 2006 they mostly served to exacerbate the situation. I argue, thus, that pressure and criticism from the Knesset made the situation more dangerous, but Olmert could have survived, although wounded, if he had chosen to ignore the legislature. Hezbollah's relationship with Iran also made the

⁴⁷ In retrospect Olmert's handling of the war also ruined his political future, but that does not change my conclusions.

situation worse, but this factor is only important because of Iran's relative rise. Hezbollah's inability to distinguish between general and specific resolve also increased the risk, but had the organization been able to pick up on Israel signal and thus changed its view of how resolved Israel was, then this factor would have been less important. Once again, though, one can see how the interaction of these factors made the situation dangerous, and how no such interactions were in place when Hezbollah conducted its operation in October of 2000.

7.3 SUMMARY OF FINDINGS

This study started out with two interrelated goals. These were explaining why the conflict between Israel and Hezbollah experiences sudden instances of escalation, and doing so by integrating, as far as possible, domestic and international relations into one coherent explanation. I have concentrated throughout on two crises. Both of these started when Hezbollah kidnapped IDF soldiers, but from there they had drastically different trajectories. I have argued that the similarity between the onset of the two crises and the startling different trajectories they followed after the onset gives these two cases a great deal of leverage in explaining important overall factors driving the conflict. In essence I am arguing that an in-depth study of these two particular instances provide important clues for understanding the dynamics of the overall conflict. Let me stress though that my focus is not on explaining the origins of the conflict or the conflict per se. My analysis has not been geared towards this, and it thus does not offer any explicit insights into why the conflict endures, why it started, or how it could end. The analysis have however explained why a more or less contained conflict from time to time escalates and evolves into a significant military confrontation or even war, in turn causing the death of hundreds of civilians.

Information has been central to my study throughout, and has played important parts in every chapter. In chapter two I laid out the five mechanisms which I argue explain why an escalatory process took place in 2006 but not in 2000, and all of these five mechanisms have important information components. The five mechanisms were (1) audience cost, the (2) inclination to share responsibility, (3) standing up to a bully, (4) learning and (5) competition. Audience cost and standing up to a bully are essentially reverse mechanisms, but they both work to make actors able, or unable, to communicate resolve in an effective way. Audience cost in addition can have the consequence of locking actors in on a path due to the way the actor communicate its resolve.

The inclination to share responsibility, or to spread cost, has an information component in my study in that the focus has been on the way the legislature communicates its preferences. The way, essentially, it exerts pressure. Learning is basically a questions of taking past action to update your beliefs, which again of course is intimately tied to the concept of information. The last mechanism which I devoted chapter four to is to a lesser extent connected to information, but I focused in that chapter among other things on commitment problems arising due to Israeli uncertainty over who controls Hezbollah, and this uncertainty is again tied directly to information.

In the first analytical chapter I dealt with the systemic sphere, concentrating on Israel's relationship and interaction with Iran. I argued in that chapter that the relationship with Iran is Israel's most important strategic relationship. One could argue that other states like Syria or Egypt are more important for Israel's security, but considering that Israel, for the time being, has reasonably good relations with Egypt and is militarily totally and utterly superior to Syria, Iran emerges as the number one priority. Although Israel holds a significant military advantage over Iran, Iran's size and ballistics capability makes it a potential threat which justifies a focus on that country. I found that Hezbollah's precarious alliance with Iran is important for understanding Israel's decision to escalate and go to war in 2006, and its decision not do so in 2000. I argued that Iran's position as the founder, supporter, and arms supplier of Hezbollah, gives Israel's interaction with Hezbollah an international dimension that it is necessary to understand in order to account for differences in Israeli behavior. By utilizing a consciously realist framework I focused on changes in the balance of power, along with the consequences of the Iran – Hezbollah alliance and argued that changes in these two factors are important for understanding the different trajectories of the 2000 and 2006 cases. Framed as a newspaper headline the gist of my findings is that when deciding how to respond to the Hezbollah kidnappings, Israel in 2006 had to consider its strategic position in relation to Iran, this it did not have to in 2000.

In the fifth chapter I focused on internal Israeli politics. I argued that the mechanism of audience cost, and pressure and criticism from the Israeli Knesset are important parts of the explanation. In 2006 Ehud Olmert came under severe criticism and pressure from the Knesset from the minute Hezbollah had carried out its attacks, and Olmert himself engaged in both a rhetoric and show of force that would have led to a considerable audience cost had he not followed through on his

threats. Following Hezbollah's almost identical operation in October of 2000 Ehud Barak and the Knesset behaved very differently. I found no evidence of severe Knesset criticism, nor did Barak engage in a show of force or harsh rhetoric. Barak simply stated that Israel preserved the right to respond to the Hezbollah actions at a time and place they saw fit. Olmert in contrast authorized what a number of commentators called the harshest possible retaliations following the Hezbollah actions, thereby increasing, instead of decreasing as Barak did, the risk of war.

In the sixth and final analytical chapter I analyzed the direct interaction between Israel and Hezbollah. Continuing the focus on information I studied the role of private information, miscalculation and the effect of a relative absence of an audience cost mechanism. I argued that Hezbollah prior to 2006 was able to predict Israel's response to their actions. This was possible because Israel in the past revealed its resolve and showed how far it was willing to be pushed, and this in turn made it possible for Hezbollah to back down before risking a full scale war. In 2006 on the contrary I argue that Hezbollah failed to realize that Israel at this point would respond not only to that summer's provocations, but to the aggregate of Hezbollah actions following the June 2000 withdrawal from southern Lebanon. In effect Hezbollah by its own actions undermined their own prediction of how Israel would respond to kidnappings. The analysis showed how different kinds of learning can create unstable situations. During the crisis in 2006, up until the point where Israel attacked, the Hezbollah leadership was confident in its belief that Israel's retaliations would be limited. The organization thus had a lot of confidence in a faulty analysis. This I argued came as a consequence of simple learning. Had Hezbollah engaged in more complex learning the organization would have realized that their past actions had undermined their prediction of how Israel would respond. Similarly Israel seems to have come to the conclusion that the tit-for-tat game was undesirable, and that it would no longer play by the game's implicit rules. A problem had thus arisen that is likely to be important for not just this case, but for international crisis more in general. In a situation where one of the actors is very confident in its own information, information which is in fact faulty, signaling becomes problematic. In such a crisis the opposing actor, in this case Israel, has to send a very loud signal in order to be heard. This is so because a relatively more "quiet" signal will not be picked up by the other actor because of this actor's confidence in its information. Had Hezbollah instead been less confident in its information it would have been possible for Israel to signal its preferences at a lot lower cost. It is possible, I argue, to imagine a situation e.g. where Hezbollah had less

confidence in its information and therefore yielded at the moment it picked up on Olmert's signaling, i.e. the signal he was sending by increasing a possible ex post audience cost, and defused the situation by releasing the soldiers or seizing the launching of rockets.

7.4 IMPLICATIONS FOR THEORY

I have not explicitly designed this study to test, in the sense of trying to weaken or strengthen, a theory, but all my hypotheses were deduced from mechanisms which had in turn been taken from theoretically important international relations works. Had I therefore found no support for my hypotheses, I could have argued that it seems that the theoretical body from which the mechanisms were drawn is unfit for explaining the subject matter under study here. I did not, however, come to such a conclusion. Following Milner (1998), I did not draw on one grand theory, but utilized several theories which all shared the same foundation: rationalism. After having carried out this study I argue that to assume that actors are rational is "more often right than wrong" (Sobek 2009), and that rationalism is a very fruitful starting point for studying escalation of crisis. As for the different theoretical components, i.e. the mechanisms, making up my theoretical framework, I found that all of them had explanatory power. Audience cost, standing up to a bully, learning, sharing responsibility and competition were all operable in the way I have stated and operationalised them into hypotheses in 2006, but not in 2000. I designed this study as a plausibility probe (George and Bennett 2005; Gerring 2006) and as such I believe I have plausibly shown that the theoretical body I argue can explain both the 2006 escalation and the 2000 non-escalation, can in fact do so.

I found strong evidence supporting the value of integrating domestic politics into international relations, and I am doubtful if I would have been able to provide as nuanced an explanation if I had concentrated only on either domestic or international politics. The three factors I above argued carry the most explanatory power combine international and domestic politics. The audience cost factor is internal, while the shift in balance of power and signaling difficulty are systemic. The integration of the perspectives was achieved by using a rationalist framework throughout my study, and by relaying on Andrew Moravcsiks two-step model. This model sees states as mechanisms for aggregating the preferences of diverse societal groups that vie for power and influence in the first step, and once the aggregation has taken place the different states

interact with one another at the systemic level in the second step (Moravcsik 1997). Integrating domestic and international relations in this fashion was not seamless, and the choice has forced me to at all times hold something constant. When I concentrated on the systemic sphere I held internal Israeli politics constant, and when I studied Israeli politics I held the systemic sphere constant. Using more sophisticated game-theory could have made it possible to model the direct interaction more explicitly and dynamically, but this has not been an option given the time and resources at my disposal.

One of the key findings of chapter six was that the Hezbollah leadership's belief in Israel's resolve was mistaken. In his book on trust and mistrust during the cold war Andrew Kydd argues that "convergence on correct beliefs is more likely than convergence on incorrect beliefs". He continues: "Mistaken beliefs may arise (...) but over time they are more likely to be corrected than to remain or be further exaggerated" (2005: 18 and 19). This is very interesting. Given that the conflict between Israel and Hezbollah has been prolonged, it is surprising that the Hezbollah leadership miscalculated Israel's resolve so drastically. It may be, of course, that the 2006 Hezbollah leadership either suffered from a collective psychological bias or that the leadership for some reason has misrepresented their surprise over Israel's response. I would argue that the former is highly unlikely since Hezbollah has been perfectly able to rationally update their belief of Israel's resolve in the past, e.g. in the 2002 confrontation discussed above. The sincerity of Hezbollah's surprise might be more questionable. It is easy to see how the organization might misrepresent their surprise e.g. in order to manage relations with Beirut. I am however not convinced by this. Although Hezbollah was remarkably successful at presenting an image of success as the war progressed, the organization was taken completely by surprise by the very effective Israeli Air Force strikes at the outset of the campaign. Available evidence does suggest that Hezbollah had not prepared for so harsh Israeli air strikes, and I would imagine that the organization had been better prepared had they actually expected them. The question then is why did not the beliefs of these two actors converge as Kydd argues it should?

The simple answer is that the mechanism Kydd (2005) argues makes this convergence possible is cooperation, and no cooperation has taken place between Israel and Hezbollah. That, however, is not a satisfactory answer since it seems to suggest that the conflict between Israel and Hezbollah is destined to be unpredictable and marked by grave miscalculation indefinitely since no

cooperation on any issue is likely to take place. I do not of course claim that the answer is unsatisfactory because it is pessimistic. Rather I would argue that if cooperation is the only mechanism that causes convergence, then this does not explain why the conflict between Israel and Hezbollah most of the time does not escalate. Or more precisely it does not explain why effective signaling, which is dependent upon some level of belief convergence⁴⁸, most of time is possible between Hezbollah and Israel. What is needed therefore is to identify other mechanisms that may foster the convergence of beliefs, and here we arrive, to the best of my knowledge, at a blind spot in the literature.

7.5 VALIDITY AND RELIABILITY

Case studies are often seen as having high internal, but low external validity (Gerring 2006). I could have added more cases to this study, thus increasing at least in theory the external validity, but that would most likely have weakened the internal validity. For better or worse I have conducted a thorough and rigorous in-depth study of two cases, and it would not have been possible to go to comparable depths if I had increased the number of cases. An increase in cases could, potentially, have ruled out the effect of one or more of my mechanisms. The strength, however, of a plausibility probe of this kind is that having established that the factors making up this study do indeed carry explanatory power, it is now possible in a future next step to investigate them across a greater number of cases in a theoretically informed way. All of my factors can in principle be operationalised, quantified and tested statistically. Since we did not at the outset really know which factors were indeed important, doing this as the next step is more scientifically sound. I make this claim after having argued that the amount of literature that studies the interaction of actors comparable to Israel and Hezbollah is very limited. To be clear there is a lot of literature studying actors as Israel and Hezbollah, but the literature studying the direct interaction of an actor comparable to Israel and an actor comparable to Hezbollah is very limited. It is not self evident, therefore, that the factors underlying and driving conflicts between other types of actors should a priori be the same as the factors driving the conflict between Israel and Hezbollah. To establish which factors are important is thus the logical first step, and to test them statistically the logical next step. Although the external validity of my study may be

⁴⁸ It is important to be perfectly clear here. Signaling does not depend on perfect convergence of beliefs, but is actors consistently misjudge the resolve of the other actor – as Hezbollah in 2006 – then signaling becomes much more difficult.

questionable, the internal validity is much stronger. George and Bennett argue that case studies “allow a researcher to achieve high levels of conceptual validity, or to identify and measure the indicators that best represent the theoretical concepts the researcher intends to measure” (2005: 19). I believe I have achieved this. The question then is if my findings would hold for other comparable cases as well. As I argued above, to ascertain whether or not this is the case is better done employing statistics, but I would nevertheless hypothesize that my findings would hold across comparable cases.

According to King, Keohane and Verba “the most important rule for all data collection is to report how the data were created and how we came to possess them” (1994: 51). This issue concerns the reliability of the study, and the litmus test basically is: if another researcher had asked the same questions of the same cases, would she have gotten the same answers? Measuring indicators, especially in a qualitative study where clear cut cut-off points can not be established, always involve a degree of subjectivity. Another researcher may interpret this or that piece of evidence in a different way. By and large though I have tried to collect data from different sources on the same topic, and the pieces of evidence I am using are not controversial. I.e. my evidence is drawn from main stream sources, all of them freely available. I have never had to dig deep down and find obscure publications or low level civil servants in order to get satisfactory evidence. All in all therefore I argue that had another researcher looked at the same data he would have arrived, basically, at the same conclusions as I have. When I go beyond the evidence, e.g. when I offer some policy advice at the end of chapter six, this does not concern the reliability of this thesis’ conclusions. I do have one big regret, and that is that I have still not been able to read the full report of the Winograd commission. I am more than certain that had I been able to read it, it would have figured heavily in this study. I have however read the executive summary, and I have read comments on the report’s findings in newspaper articles, books and scholarly articles. Nowhere have I found citations, conclusions or comments from the Winograd report which would have refuted the central arguments of this thesis.

7.6 FUTURE RESEARCH

I have already argued that this study should be followed by a large scale statistical study of the correlations of my proposed indicators, with escalation of international crisis. Such a study,

together with this, would be a very valuable supplement to the literature on the causes of war and on the escalation of crisis in general. As noted most of this literature deals either with civil wars or interstate wars, and I am not convinced that the factors driving such conflicts are the same as the factors driving conflicts between states and non-state actors. After all the factors driving civil wars are very different from the factors driving interstate wars, so at the very least an exploratory study is warranted.

7.7 CONCLUSION

I have the impression that a lot of people when they look at the conflicts in the Middle East, see intractable almost unsolvable conflicts. I thoroughly disagree. And writing this thesis has cemented that view. General Douglas Macarthur said that “War’s objective is victory – not prolonged indecision. In war, there is no substitute for victory” (quoted in: Iklé 2005: 1). Yet in every war Israel has fought since the 1973 Yom Kippur War, or even arguably since the 1967 Six Day War, the ultimate outcome has been indecisive. The same can be said for Israel’s adversaries, state or non-state. Ending a war is difficult. In the classic *Every War Must End* Fred Iklé writes that “The task of bringing an unsuccessful war to an end demands such a soul-searching recording of objectives that many government leaders respond to it with failure of nerve” (Iklé 2005: 102). It appears that the task of bringing an unsuccessful prolonged conflict, as the one between Israel and Hezbollah, to an end can have the same effect on a leader. On examining the evidence from my two cases however, I can only draw the conclusion that when leaders have the ability to really record, analyze and arrange their objectives the settlement of a conflict is indeed possible. The Hezbollah leadership did this, as I have shown, in 2002 and the Barak government did it after Hezbollah carried out their kidnappings in October of 2000. I have consistently found that neither Israel’s nor Hezbollah’s leadership behave in a fanatical, overly zealous or irrational manner. The leaders of both actors clearly experience, from time to time, a clouded judgment, cognitive dissonance and seem to be prone to hyperbolic discounting⁴⁹. When they are at their best however they behave strategically, and this I argue is the greatest cause for optimism. If the leaders of Hezbollah are able to see, in the middle of a confrontation as the one in April 2002, that to take one step further would be detrimental. And the leaders of Israel are

⁴⁹ Cognitive dissonance is present when the same actor holds inconsistent views and goals, hyperbolic discounting refers to the observation that people often prefer “quick and easy” smaller payments to a long term larger payment. On both see (Elster 2007a: esp chp 6 & 7).

able to realize that a provocation does not have to be answered with a tit for tat move, as Ehud Barak determined in October of 2000. Then the same actors are most definitely able, is my contention, to settle the conflict once and for all, even though this would force both sides to make severe compromises, both ideologically and economically. Given, as my rationalist framework has shown, that they are presented with a correct mixture of sticks and carrots to alter their preference structure.

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